

Arizona Health Care Cost Containment System Administration (AHCCCSA)



AHCCCS

2004–2005 EXTERNAL QUALITY REVIEW TECHNICAL REPORT *for* ALTCS EPD

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Introduction

Health Services Advisory Group, Inc. (HSAG) serves as an external quality review organization (EQRO) for the Arizona Health Care Cost Containment System (AHCCCS). This annual technical report complies with 42 Code of Federal Regulations (CFR) 438.364. This report for contract year (CY) 2004-2005 describes how the data from activities conducted in accordance with 42 CFR 438.358 were aggregated and analyzed. This report also explains the methodologies used to draw conclusions about the quality and timeliness of and access to the care furnished by the following program contractors: Cochise Health Systems, Evercare Select, Mercy Care Plan, Pima Health System, Pinal/Gila Long Term Care, and Yavapai County Long Term Care. These program contractors provided services to Arizona Long Term Care System (ALTCS) members who are individuals with physical disabilities or are elderly. This technical report includes the following for each activity conducted in accordance with 42 CFR 438.358:

- i. Objectives
- ii. Technical methods of data collection and analysis
- iii. Description of data obtained
- iv. Conclusions drawn from the data
- v. The extent to which the State provided the necessary information to create this report while safeguarding the identities of patients

Also included in this report is an assessment of each program contractor's strengths and opportunities for improvement with respect to the quality timeliness of and access to health care services furnished to Medicaid members, along with recommendations to improve the quality of health care services each program contractor offers. Additionally, each program contractor is assessed on the extent to which it has addressed recommendations for quality improvement made the previous year (e.g., performance measures). Furthermore, comparisons across program contractors' performance for quality, timeliness, access, and performance improvement are highlighted in this report.

The technical methods of data collection and analysis are presented first, which include the technical methods of the EQRO in preparing this report and those used by AHCCCS and the program contractors as they have been mandated by AHCCCS, which do not differ across program contractors. It is important to note that AHCCCS conducted its own data validation from the program contractors' performance measure reviews and mandated performance improvement projects (PIPs). The EQRO assessment of the data obtained and the conclusions drawn from those data form the basis for the findings presented for those sections, both separately for each program contractor and comparatively across program contractors. In the final section, the report presents the State with recommendations for continued quality improvement in the program.

AHCCCS's Unique Approach

Each state using program contractors must ensure that it has a qualified EQRO perform an annual external quality review (EQR) for each program contractor. The state must also ensure that the EQRO has sufficient information to perform the review. The information for the review must be obtained for the EQR-related activities described in 42 CFR 438.358. In addition, the information provided to the EQRO must be obtained through methods consistent with the protocols established under 42 CFR 438.352. In general, the majority of Medicaid state agencies nationwide competitively bid the mandatory activities required by the federal government in seeking competent EQROs to perform these services. AHCCCS, however, is unique not only as a national model program for managed care, but also for the model it uses for EQR activities. AHCCCS has developed its own expertise and competence to perform many of the mandatory activities (i.e., conducting a review to determine program contractor compliance with financial and operational standards, validation of program contractor performance measures, and validation of PIPs).

AHCCCS has validated the program contractors' performance and reviewed the relevant information, data, and procedures to determine the extent to which they are accurate, reliable, free from bias, and in accordance with industry standards for data collection and analysis. To meet the requirement for information that must be produced, AHCCCS contracts with HSAG to produce the External Quality Review Technical Report. HSAG is an EQRO that meets the competence and independence requirements set forth in 42 CFR 438.354.

HSAG Methodology for Data Acquisition and Reporting

On February 1, 2006, AHCCCS and HSAG held initial meetings to discuss the EQR Technical Report contract and mandatory activities. HSAG reviewed materials provided by AHCCCS and developed a compliance with standards summary tool to crosswalk the voluminous data provided. Meetings were conducted with AHCCCS both in person and on the telephone to clarify any questions regarding the data received. A draft report outline was provided to AHCCCS, and a first draft of the entire report was provided to AHCCCS for review on April 28, 2006.

Compliance with Standards (Operational and Financial Review)

Objectives for Review of Operational and Financial Review (OFR) Standards

HSAG designed a compliance with standards summary tool to more easily represent the information contained within the six program contractor compliance with standards reports and to facilitate a comparison among program contractors. A notation was made in the tool when an initial review suggested that the degree of compliance awarded (i.e., full compliance, substantial compliance, partial compliance, non-compliance, not applicable, and information only) might be in contrast to the recommendation for a corrective action plan (CAP). This tool is available electronically from HSAG. This summary tool focused on the objectives of this analysis, which were to:

1. Determine each program contractor's compliance with standards established by the State to comply with the requirements of 42 CFR 438.204(g).
2. Provide data from the review of compliance with standards that allow conclusions to be drawn as to the quality and timeliness of and access to care furnished by the program contractors.
3. Aggregate and assess CAPs to provide an overall evaluation.

AHCCCS Methodology for Review of Operational and Financial Review Standards

The AHCCCS mission is: "Reaching across Arizona to provide comprehensive, quality health care for those in need." In support of that mission, AHCCCS provided each program contractor with a detailed description of the expectations found in their contract. AHCCCS also supplied program contractors with a list of documents and information that must be available to AHCCCS for review during the OFR process.

AHCCCS reviewed the operational and financial performance of each program contractor throughout the year. The Agency Review Team, which is composed of staff from the Division of Health Care Management and the Office of Legal Assistance, performs on-site reviews to interview and observe operations of program contractor personnel and to review documentation. The on-site reviews encompassed the following areas:

- ◆ General administration
- ◆ Delivery system
- ◆ Case management
- ◆ Grievance system
- ◆ Behavioral health
- ◆ Utilization management
- ◆ Quality management

- ◆ Financial management
- ◆ Encounters

Reviews generally required three to five days, depending on the extent of the review required and the location of the program contractor. The OFRs allowed AHCCCS to:

- ◆ Determine the extent to which each program contractor met AHCCCS's contractual requirements, AHCCCS policies, and the Arizona Administrative Code.
- ◆ Increase its knowledge of each program contractor's operational and financial procedures.
- ◆ Provide technical assistance and identify areas for improvement and areas of noteworthy performance and accomplishment.
- ◆ Review progress in implementing the recommendations made during prior OFRs.
- ◆ Determine each program contractor's compliance with its own policies and procedures and evaluate their effectiveness.
- ◆ Perform program contractor oversight as required by the Centers for Medicare & Medicaid Services (CMS) in accordance with the AHCCCS 1115 waiver.

AHCCCS prepared an annual report of review findings and sent it to each program contractor. In the report, each standard and substandard was individually listed along with a compliance decision. Full compliance is 90 to 100 percent compliant, substantial compliance is 75 to 89 percent compliant, partial compliance is 50 to 74 percent compliant, and non-compliance is 0 to 49 percent compliant. Not applicable is N/A. Information only is IO.

The report was sent to the program contractors with recommendations as follows:

- ◆ *The program contractor must....* This statement indicates a critical non-compliance area that must be corrected as soon as possible to be in compliance with the AHCCCS contract.
- ◆ *The program contractor should....* This statement indicates a non-compliance area that must be corrected to be in compliance with the AHCCCS contract but is not critical to the everyday operation of the program contractor.
- ◆ *The program contractor should consider....* This statement is a suggestion by the review team to improve the operations of the program contractor but is not directly related to contract compliance.

Each program contractor submits a response to each of the first two types of review finding with a proposed CAP. AHCCCS reviews and approves all CAPs. Program contractors have the right to challenge AHCCCS's findings.

Validation of Performance Measures

Objectives for Review of Validation of Performance Measures

In its objectives for the review of validation of performance measures, AHCCCS:

1. Provided each program contractor with the necessary information on State-required performance measures.
2. Ensured that each program contractor measured and reported its performance to the State on an annual basis using standard measures required by the State.
3. Ensured that validation of program contractor performance measures was conducted according to industry standards.

Methodology for Review of Validation of Performance Measures

Two measures were reported annually and are the measures reported for the current reporting year: home and community-based services for elderly and physically disabled members (HCBS), and management of diabetes. One caveat to interpreting the performance measures that were aggregated across all contractors was that they contained information from Maricopa Long Term Care.

AHCCCS acquired information for the initiation of HCBS measure from AHCCCS encounter data (and medical records, case management records, or claims data when needed). AHCCCS acquired information to evaluate diabetes management performance measurement data received from each program contractor using Health Employer Data and Information Set (HEDIS[®]) methodology. HEDIS[®] was developed and is maintained by NCQA and is a widely used and well-accepted set of performance measures for health care providers. The lack of comparative measures for diabetes management data was explained by AHCCCS as follows:

In the two previous measurements, results were based on administrative data only and consisted of a combination of AHCCCS encounter data and analytic data obtained from the CMS. The previous results were obtained and analyzed by HSAG, an independent quality improvement organization, through a collaborative agreement. AHCCCS undertook this collaborative project with HSAG to collect data on diabetes care services for members who were dually enrolled in Medicaid and Medicare.

HSAG was able to obtain data from CMS on services provided to some members under Medicare. However, data on services provided to dually enrolled members through Medicare managed care plans was not available from CMS. To collect more complete data for the diabetes performance measures, AHCCCS began using the current hybrid data collection process, beginning with this measurement.

To acquire the data used herein, AHCCCS used its automated managed care data system, the Prepaid Medicaid Management Information System (PMMIS), for the administrative portion of the hybrid methodology. Program contractor members included in the denominator for each measure

HEDIS[®] is a registered trademark of the National Committee for Quality Assurance (NCQA).

were selected from the recipient subsystem of PMMIS. Numerators for each measure represented counts from encounter data from records of medically necessary services and related claims and medical records, forming the hybrid process. AHCCCS also conducted data validation studies to evaluate the completeness, accuracy, and timeliness of encounter data. In CY 2004–2005 (October 1, 2004, through September 30, 2005), AHCCCS conducted an encounter data validation study on CY 2003 (October 1, 2002, through September 30, 2003) data. AHCCCS estimated the overall accuracy of the program contractors' encounter data to be greater than 98 percent.

Assessment of Performance Improvement Projects (PIPs)

Objectives for Review of PIPs

In its objectives for its assessment of PIPs, AHCCCS:

1. Ensured that each program contractor had an ongoing performance improvement program of projects that focused on clinical and nonclinical areas for the services it furnished to its enrollees.
2. Ensured that each program contractor measured performance using objective and quantifiable quality indicators.
3. Ensured that each program contractor implemented systemwide interventions to achieve improvement in quality.
4. Evaluated the effectiveness of each program contractor's interventions.
5. Ensured that each program contractor planned and initiated activities to increase or sustain improvement.
6. Ensured that each program contractor reported the status and results of each project to the State in a reasonable period to allow timely information on the success of PIPs.
7. Reviewed annually the impact and effectiveness of each program contractor's performance improvement program.
8. Required that each program contractor have an ongoing process to evaluate the impact and effectiveness of its performance improvement program.

Methodology for Review of PIPs

As previously stated, for each contract, AHCCCS required that program contractors have an ongoing program of PIPs that focused on clinical and nonclinical areas. These projects involved measuring performance by using objective and quantifiable quality indicators, implementing system interventions to achieve performance improvements, evaluating the effectiveness of the interventions, and planning and initiating activities to increase or sustain improvements.

The PIPs reviewed for this External Quality Review Technical Report were adult management of diabetes and children's oral health. The populations for the two reviewed PIPs were selected according to HEDIS[®] criteria for their respective projects. With regard to children's oral health, the ALTCS group studied included all members 3 to 20 years of age in order to have an adequate

population from which to draw valid conclusions. In doing so, children's oral health data was not analyzed by individual program contractors because most ALTCS program contractors did not have enough members who met the criteria for inclusion in remeasurement to construct meaningful statistical comparisons. One caveat to interpreting the PIP measures that were aggregated across all contractors was that they contained information from Maricopa Long Term Care.

Throughout the data gathering and analytic processes, AHCCCS maintained confidentiality in compliance with Health Insurance Portability and Accountability Act (HIPAA) requirements. The files were maintained on a secure, password-protected computer. Only AHCCCS employees who analyzed the data had access to the database, and all employees were required to sign confidentiality agreements. Furthermore, only the minimum amount of necessary information to complete the project was collected. Upon completion of each study, all information was removed from the AHCCCS computer and placed on a compact disc to be stored in a secured location.

After the data were collected and processed, PIPs were reviewed and assessed by AHCCCS through the use of the criteria found in Validating Performance Improvement Projects: A Protocol for Use in Conducting Medicaid External Quality Review Activities (Department of Health and Human Services, Centers for Medicare & Medicaid Services, Final Protocol, Version 1.0, May 1, 2002). This process involved 10 distinct steps as delineated in the CMS protocol:

1. Review the selected study topic(s).
2. Review the study question(s).
3. Review selected study indicator(s).
4. Review the identified study population(s).
5. Review sampling methods (if sampling was used).
6. Review the program contractor's data collection procedures.
7. Assess the program contractor's improvement strategies.
8. Review data analysis and interpretation of study results.
9. Assess the likelihood that reported improvement is real improvement.
10. Assess whether the program contractor has sustained documented improvement.

The methodology for evaluating each of the 10 steps is covered in detail in the CMS protocol, including acceptable and not acceptable examples of each step. When completed, the PIP assessments were forwarded to each program contractor. Each program contractor had the opportunity to comment on the results and actions included in the contractor's evaluation from AHCCCS. The overall AHCCCS evaluation reports and program contractor-specific results were supplied to HSAG by AHCCCS for review and for the inclusion of relevant information in this External Quality Review Technical Report.

3. Program Contractor-Specific Findings

Overall Findings for All Program Contractors

Compliance With Standards (Operational and Financial Review)

Figure 3-1 depicts the compliance rates of all program contractors with the selected technical standards. The figure shows that 83 percent of the reviewed standards were in full compliance. Moreover, 93 percent were at least in substantial compliance. These results suggest that, overall, the program contractors demonstrated competence with the compliance standards.

Figure 3-1—Compliance Comparison for All Program Contractors

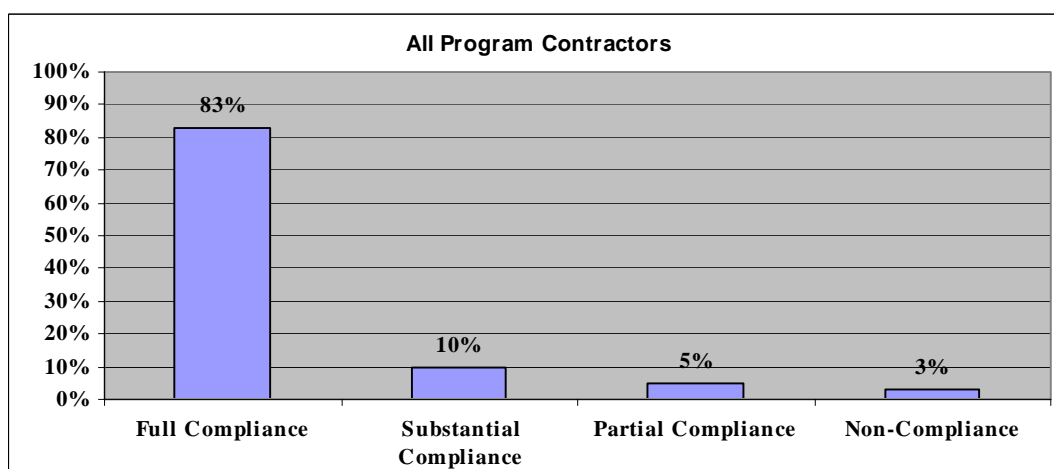


Figure 3-2 details the levels of compliance with the technical standards for each category.

Figure 3-2—Categorized Levels of Compliance with Technical Standards for All Program Contractors

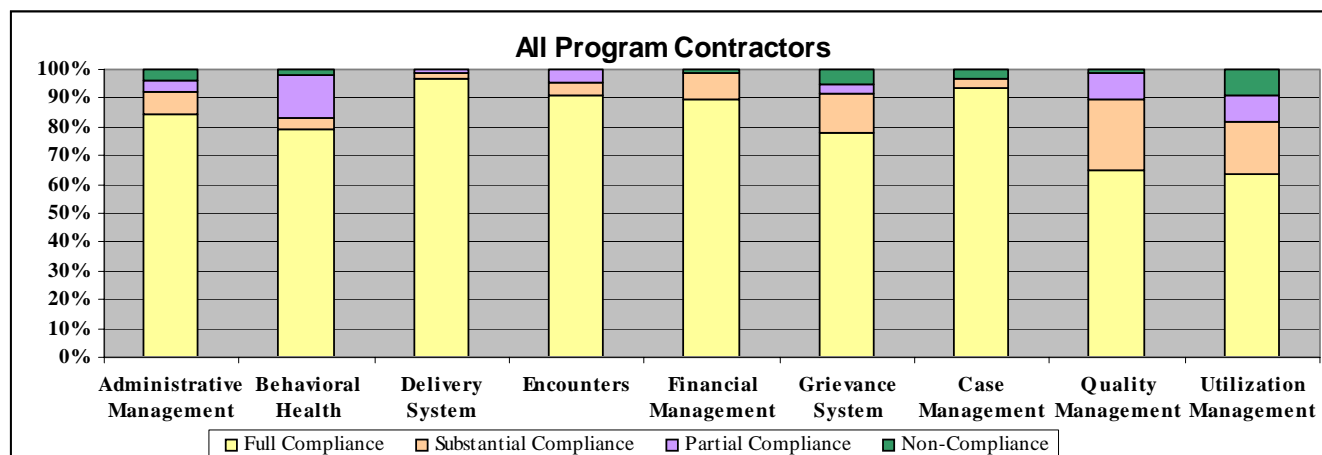


Figure 3-2 shows that delivery system, encounters, financial management, and case management were in at least substantial compliance with more than 95 percent of the technical standards.

Furthermore, six of the nine categories were more than 90 percent in substantial compliance, with quality management close behind at 89.4 percent substantial compliance. The figure also shows that utilization management had the most opportunity for improvement with 81.8 percent of the technical standards in at least substantial compliance. Overall, 597 of the technical standards were in full compliance, 69 in substantial compliance, 33 in partial compliance, and 21 in non-compliance. It should be noted, however, that medical management standards were strengthened by AHCCCS, which rewrote a section of the AHCCCS Medical Policy Manual, increased requirements, and monitored the health plans more rigorously. The health plans still showed improvement over previously monitored results.

Compliance with Standards—Corrective Action Plans (CAPs)

Table 3-1 presents each of the categories of technical standards reviewed, the number of CAPs required, each category's percentage of all CAPs, the total number of technical standards in each category, and the percentage of the technical standards with a CAP for each category.

The table shows only 3 percent of CAPs in both the delivery system and case management categories. Delivery system also received the smallest percentage of technical standards receiving CAP (3 percent). Overall, the delivery system category stands out as the demonstrated strength across program contractors. Encounters, financial management, and case management were also strong categories.

In contrast, one in five of the CAPs were in the quality management category, followed relatively closely by utilization management, grievance system, and administrative management. As a percentage of the total number of standards in each category, quality management and utilization management both had more than 30 percent of their standards requiring a CAP. These two categories represented the greatest opportunities for improvement. Overall, 16 percent of the technical standards required a CAP.

Table 3-1—Total CAP Overview for All Program Contractors				
Categories of Technical Standards	Number of CAPs	Percent of Total CAPs	Total Number of Standards Across Program Contractors	CAPs as Percent of Standards
Administrative Management	20	17%	151	13%
Behavioral Health	10	9%	48	21%
Delivery System	3	3%	95	3%
Encounters	7	6%	90	8%
Financial Management	8	7%	78	10%
Grievance System	21	18%	96	22%
Case Management	3	3%	30	10%
Quality Management	23	20%	66	35%
Utilization Management	21	18%	66	32%
Total	116	100%	720	16%
Note: Utilization management includes a roll-up of two standards from maternal child health.				

Performance Measure Review

Table 3-2 presents the mean rates across the six program contractors during the two most recent measurement periods for each of the performance measures. The table shows a statistically significant improvement for HCBS. Statewide, the six program contractors improved the rate from 83.7 percent to 89.2 percent, exceeding, on average, the AHCCCS long-range benchmark. Initiation of HCBS is, therefore, a strength across the program contractors.

All measures of diabetes management exceeded the CY 2004 minimum AHCCCS performance standards and the AHCCCS goals, on average, by a substantial amount. Yet, none of the diabetes management performance measures has reached the AHCCCS long-range benchmarks. Nonetheless, results for the performance measures for diabetes management were an apparent strength across program contractors.

Table 3-2—Performance Measurement Review for All Program Contractors

Performance Measure	Actual Performance for Oct. 1, 2002, to Sept. 30, 2003	Actual Performance for Oct. 1, 2003, to Sept. 30, 2004	Relative Percent Change	Significance Level*	CY 2004 Minimum AHCCCS Performance Standard	AHCCCS Goals	AHCCCS Long-Range Benchmarks
Initiation of HCBS	83.7%	89.2%	6.6%	p=.008	74%	76%	87%
Diabetes Management – HbA1c Testing	N/A ¹	76.7%	N/A ²	N/A ²	51%	55%	85%
Diabetes Management – Lipid Screening	N/A ¹	69.2%	N/A ²	N/A ²	47%	51%	81%
Diabetes Management – Retinal Exams	N/A ¹	50.1%	N/A ²	N/A ²	31%	35%	64%

* Significance levels (p-values) noted in the table demonstrate the statistical significance between performance for the previous measurement period and performance for the current measurement period.

¹ This is the first measurement period for diabetes management using a revised methodology. Previous measurements used a different methodology; therefore, N/A is noted for this measurement period.

² Since this is the first measurement period for diabetes management using the new methodology, changes in performance cannot be calculated.

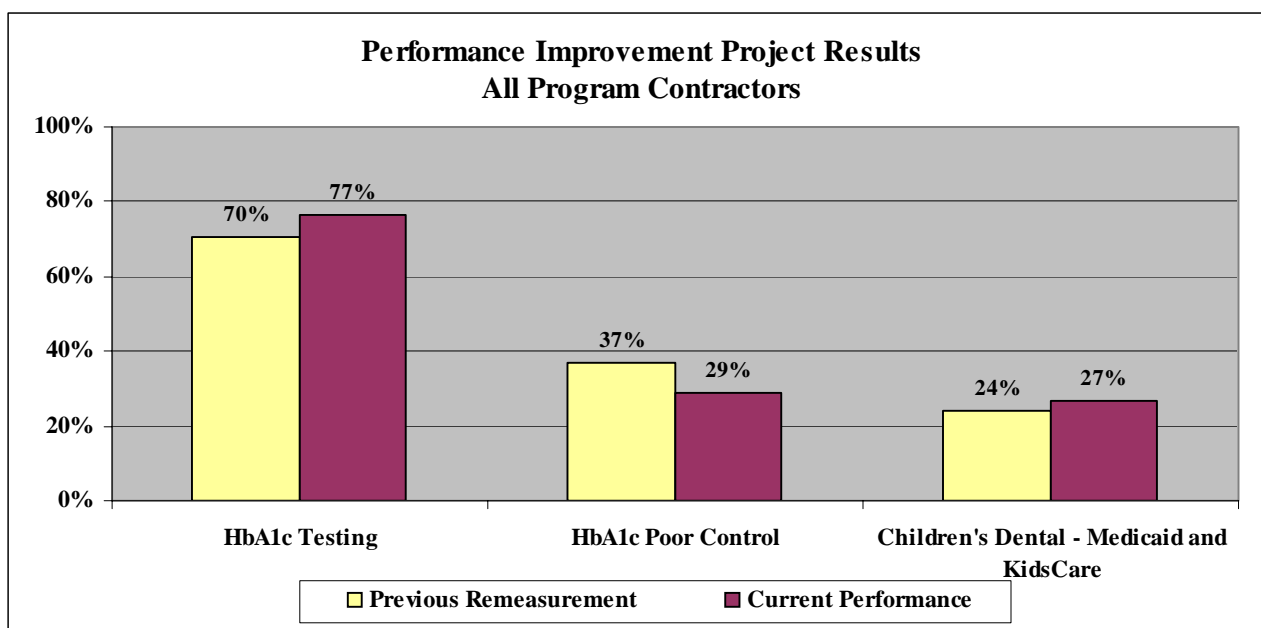
Performance Measures—CAPs

Not a single CAP was required of any of the program contractors for the performance measure review. This absence of CAPs further reinforces the finding that the performance measures were a strength for program contractors statewide.

Review of Performance Improvement Projects (PIPs)

Figure 3-3 presents the change in PIP performance for the two most recent measurement periods averaged across the program contractors. The figure shows improved performance for all three measures. HbA1c Poor Control is a reversed measure, meaning that lower values are better. Therefore, the lower rate shown for the current measurement period represents improvement in the measure's rate. The children's dental visits measure had too few children for the 3 percent increase to be statistically significant.

Figure 3-3—Average PIP Performance Across the Two Most Recent Measurement Periods



Taken as a whole, PIPs showed substantively large gains in health care quality. Only one of the six program contractors was required to continue the diabetes management PIP. This program contractor's results are detailed later in this section of the technical report. Five of the program contractors were directed by AHCCCS to "submit a final PIP report to AHCCCS within 180 days of the end of the project." This result means that significant improvement in diabetes management was achieved between the baseline and the first remeasurement cycles and that the improvement was sustained through an additional remeasurement cycle.

For the children's dental care PIP, documentation stated that "data for ALTCS members was not analyzed by individual Contractor because most ALTCS program contractors did not have enough members who met the criteria for inclusion in the remeasurement to make statistical comparisons. Of the 104 physically disabled members selected for the remeasurement, 28 (26.9 percent) had at least one dental visit. Overall, there was no significant change from the previous measurement ($p < .696$)."

Strengths, Opportunities for Improvement, and Recommendations for Program Contractors Overall

The next three sections discuss: (1) compliance with standards, (2) performance measures, and (3) PIPs. Each of these three sections presents the strengths for the area of review that were found in the documentation provided to HSAG, opportunities for improvement, and recommendations.

Compliance with Standards (Operational and Financial Review)

Strengths

When jointly considered, Figure 3-2 and Table 3-1 suggest that delivery system, encounters, financial management, and case management are demonstrated strengths across the program contractors covered in this technical report. None of these categories showed more than 8 percent of the total number of CAPs or more than 10 percent of technical standards requiring a CAP.

Opportunities for Improvement and Recommendations

The administrative management, behavioral health, grievance system, quality management, and utilization management categories showed opportunities for improvement with higher-than-average CAPs using both types of percentage metrics. Quality management required CAPs for 35 percent of the category's technical standards statewide. Specifically, recommendations related to opportunities for improvement were identified in several key areas that were common to all of the program contractors. Those areas included:

- ◆ Ensuring program contractors have prior authorization policies and procedures that authorize services in sufficient amount, duration, and scope to achieve their intended purpose.
- ◆ Ensuring that members are properly educated on program policies, including requesting a copy of their medical record at no cost to the member.
- ◆ Ensuring that program contractor staffs are properly trained to identify behavioral health needs and coordinate behavioral health services in a timely manner.

Performance Measure Review

Strengths

Overall, Table 3-2 shows the performance measures to be a strength for the program contractors. Every program contractor exceeded both the CY 2004 minimum AHCCCS performance standard and the AHCCCS goal for each of the four performance measures. HCBS performance exceeded the AHCCCS long-range benchmark.

Opportunities for Improvement and Recommendations

The only recommendation for the performance measures is more of a commendation statewide. The program contractors, overall, have done well with the performance measures. They should make efforts to sustain their improvements for HCBS and should strive to attain similar rates of improvement for the diabetes management measures.

Review of PIPs

Strengths

Figure 3-3 shows that all measures used in the PIPs improved between measurement cycles, demonstrating sustained performance for diabetes management.

Opportunities for Improvement and Recommendations

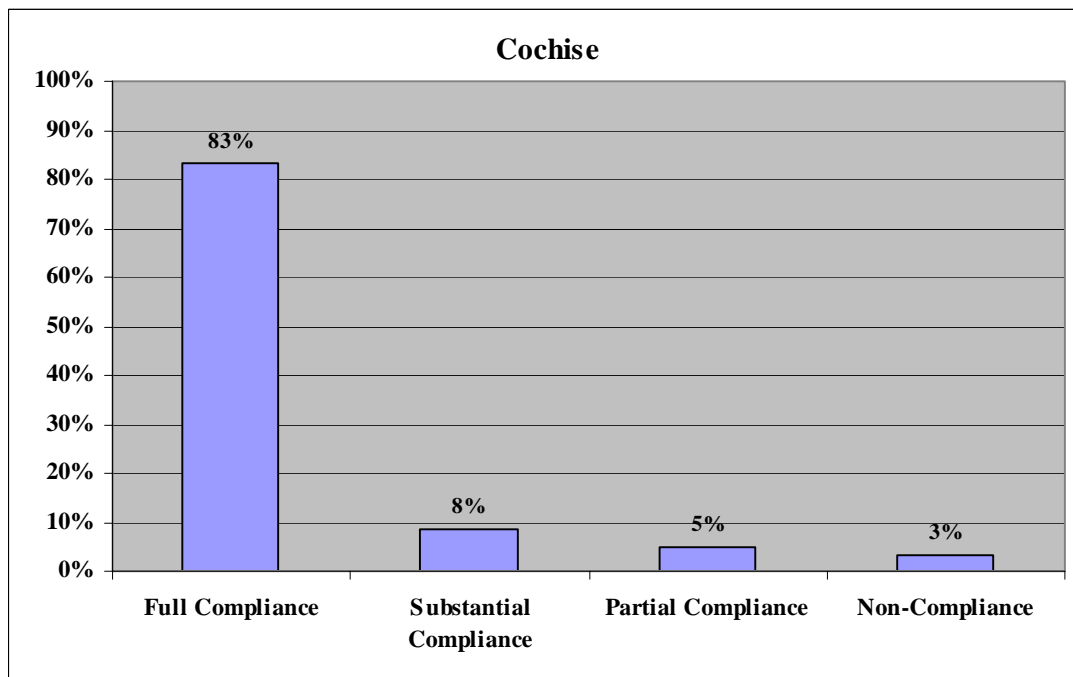
There was opportunity for improvement in the children's dental visits PIP. Rates for children's dental visits would need to improve substantially to attain statistical significance as well as achieve the AHCCCS benchmark of 57 percent, which is roughly twice the current rate for the measure. The statewide recommendation is made, therefore, that program contractors focus on systemwide interventions to greatly increase rates for children's annual dental visits.

Cochise Health Systems (Cochise)

Compliance with Standards (Operational and Financial Review)

Figure 3-4 shows the program contractor's percentage of compliance with the technical standards selected for review in CY 2004-2005. The percentages of standards in full compliance, substantial compliance, partial compliance, and non-compliance are separately shown.

Figure 3-4—Compliance with Technical Standards for Cochise



The difference between at least partial compliance (the sum of full, substantial and partial compliance) and full compliance (which can be represented as 96 percent – 83 percent = 13 percent) reflects a scenario in which the program contractor seems to know the intent of the technical standards but is not fully achieving it. This scenario contrasts with the 3 percent in non-compliance, which indicates that the program contractor might not understand the intent of the technical standards. In the first case (i.e., understanding but not fully achieving the technical standards), the program contractor might make large strides to attain full compliance with relatively little effort. Moving a technical standard from non-compliance to full compliance, however, might require additional educational and other activities.

Figure 3-5 shows the extent of compliance for each of the major areas within the technical standards. The figure highlights both areas of strength and opportunities for improvement. In each category, the figure shows the level of compliance with the technical standards based on full compliance, substantial compliance, partial compliance, and non-compliance.

Figure 3-5—Categorized Levels of Compliance with Technical Standards for Cochise

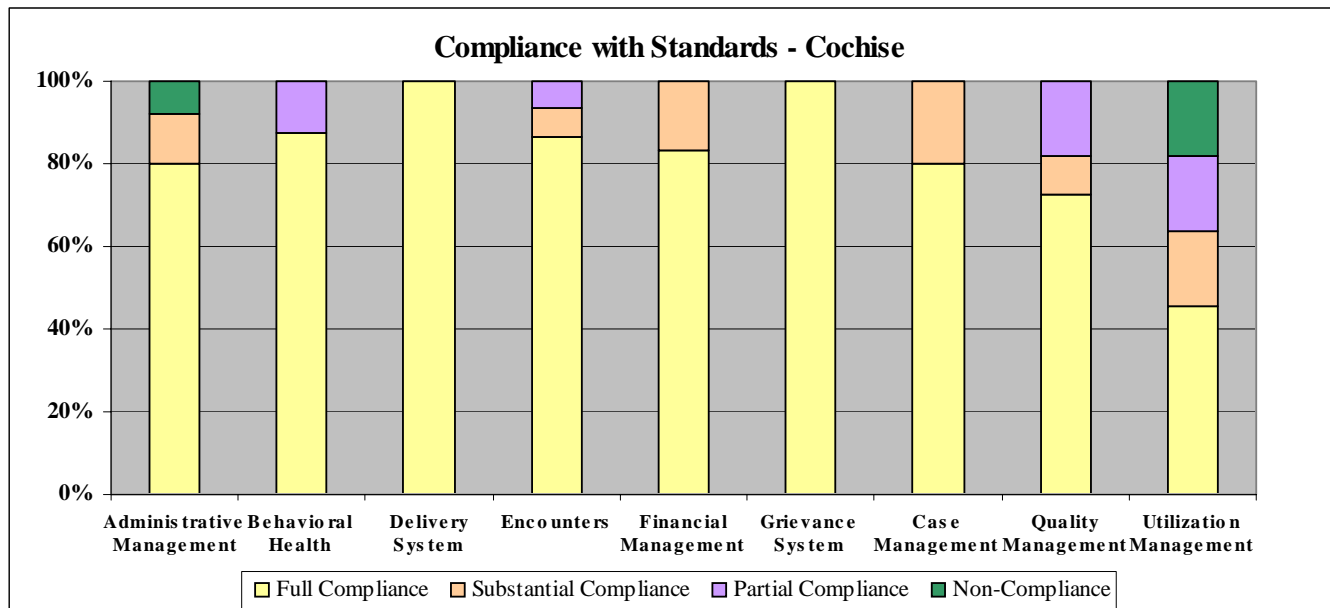


Figure 3-5 shows that the delivery system and grievance system categories were in full compliance with their technical standards. All of the technical standards reviewed for delivery system, financial management, grievance system, and case management were in either in full or substantial compliance. Utilization management had the greatest opportunity for improvement with the largest portion of standards in non-compliance. Overall, 99 technical standards were in full compliance, 10 in substantial compliance, 6 in partial compliance, and 4 in non-compliance.

CAPs for Compliance with Standards

Table 3-3 presents each of the categories of technical standards reviewed, the number of CAPs required, each category's percentage of all CAPs, the total number of technical standards in each category, and the percentage of the technical standards with a CAP for each category.

The program contractor did not receive a single CAP for delivery system or grievance system, making those categories recognized strengths. Additionally, behavioral health and case management each received only one CAP.

Conversely, the table shows that utilization management and administrative management had the greatest opportunities for improvement based on the percentage of all CAPs in those categories. Quality management and case management also had opportunities for improvement based on the percentage of standards requiring a CAP in those categories. Overall, 16 percent of the technical standards required a CAP.

Table 3-3—CAP Overview for Cochise				
Categories of Technical Standards	Number of CAPs	Percent of Total CAPs	Total Number of Standards For All Program Contractors	CAPs as a Percent of Standards
Administrative Management	4	21%	25	16%
Behavioral Health	1	5%	8	13%
Delivery System	0	0%	16	0%
Encounters	2	11%	15	13%
Financial Management	2	11%	12	17%
Grievance System	0	0%	16	0%
Case Management	1	5%	5	20%
Quality Management	3	16%	11	27%
Utilization Management	6	32%	11	55%
Total	19		119	16%
Note: Utilization management includes a roll-up of two standards from maternal child health.				

Performance Measure Review

Table 3-4 shows the separate performance measures for the two most recent time periods, along with the relative percentage change and the statistical significance level for each of the changes in rates over time. Additionally, the table presents the CY 2004 minimum AHCCCS performance standard, whether a CAP was required, the AHCCCS goal, and the AHCCCS long-range benchmarks.

The table lists N/A for the diabetes management performance measures for the earlier time period because previous remeasurements used a different methodology, making a comparison between time periods inappropriate. Comparisons between current rates for diabetes management and the CY 2004 minimum AHCCCS performance standard, AHCCCS goal, and AHCCCS long-range benchmarks were, however, fully appropriate.

The table shows that the program contractor did not achieve a statistically significant increase for the initiation of HCBS rate. This finding was expected due to the very high previous and current rates (97.7 percent and 98.2 percent, respectively). To achieve a significant increase with 97.7 percent as the starting point, an extraordinarily large number of eligible members would be required. This report, therefore, does not fault the program contractor for the lack of statistical significance in the rate change. In fact, the program contractor is to be commended for compliance with the initiation of HCBS performance measure, which is almost perfect and substantially above the AHCCCS long-range benchmark.

Table 3-4—Performance Measurement Review for Cochise

Performance Measure	Actual Performance for Oct. 1, 2002, to Sept. 30, 2003	Actual Performance for Oct. 1, 2003, to Sept. 30, 2004	Relative Percent Change	Significance Level*	CY 2004 Minimum AHCCCS Performance Standard	CAP Required	AHCCCS Goal	AHCCCS Long-Range Benchmarks
Initiation of HCBS	97.7%	98.2%	0.5%	p=1.00	74%	No	76%	87%
Diabetes Management – HbA1c Testing	N/A ¹	88.4%	N/A ²	N/A ²	51%	No	55%	85%
Diabetes Management – Lipid Screening	N/A ¹	69.8%	N/A ²	N/A ²	47%	No	51%	81%
Diabetes Management – Retinal Exams	N/A ¹	48.8%	N/A ²	N/A ²	31%	No	35%	64%

* Significance levels (p-value) noted in the table demonstrate the statistical significance between performance for the previous measurement period and performance for the current measurement period.

¹ This is the first measurement period for diabetes management using a revised methodology. Previous measurements used a different methodology; therefore, N/A is noted for the this measurement period.

² Because diabetes management used a new methodology for measurement, changes in performance cannot be calculated.

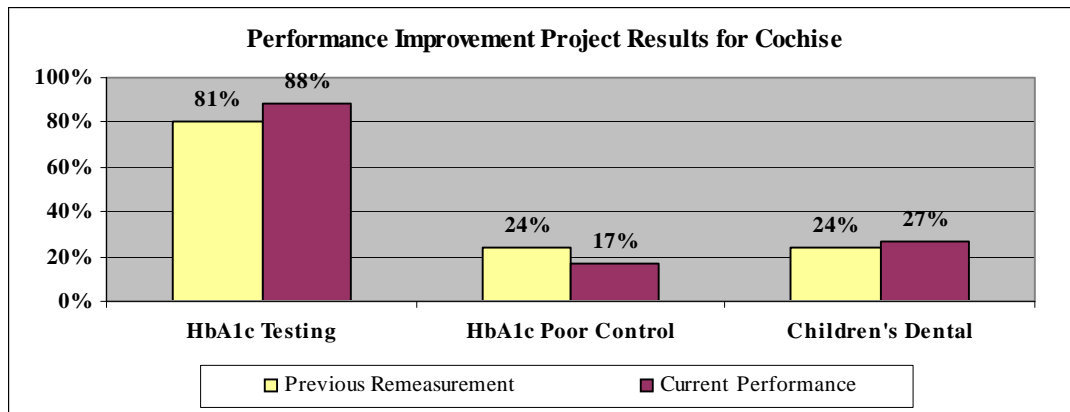
Performance Measures—CAPs

No CAPs were required for the program contractor.

Review of PIPs

Figure 3-6 presents the results of the program contractor's two PIPs, adult diabetes management and children's oral health. For children's oral health, results for all of the program contractors were aggregated due to small numbers of eligible members and were repeated in their aggregate form for each program contractor. The figure shows improvement in each of the measures used to assess these PIPs. Furthermore, rates for the diabetes measures were strong from a national perspective, with both measures exceeding the top 10th percentile performance from HEDIS®. HbA1c poor control is a reversed indicator for which a lower rate shows better performance. The children's oral health measure was approximately half the AHCCCS benchmark of 57 percent.

Figure 3-6—PIP Results for Cochise



Strengths, Opportunities for Improvement, and Recommendations for Cochise

The next three sections discuss: (1) compliance with standards, (2) performance measures, and (3) PIPs. Each of these three sections presents the strengths for the area of review that were found in the documentation provided to HSAG, opportunities for improvement, and recommendations.

Compliance with Standards (Operational and Financial Review)

Strengths

All technical standards in the delivery system and grievance system categories were in full compliance and were a strength in the program contractor's operations. Financial management and case management had all technical standards in at least substantial compliance and were, to a lesser extent, considered strengths. Only quality management and utilization management had technical standards in less than 80 percent full compliance.

Opportunities for Improvement and Recommendations

Utilization management and, to a lesser extent, administrative management and quality management, had the greatest opportunities for improvement. If only one area could be improved, Figure 3-5 and Table 3-3 leave little doubt that utilization management should be the target of improvement efforts for the compliance with standards review, although the need to strengthen standards for this area have already been noted. Specific recommendations to improve performance by Cochise can be summarized by the following:

- ◆ Cochise policies, procedures, and processes need to be enhanced to include specific AHCCCS requirements related to:
 - Medical records.
 - Prior authorization.
 - Utilization management and practice guidelines.
 - Management of encounters.

- ◆ Other areas of focus were concentrated on monitoring and management of the program. Specific areas requiring improvement include:
 - Ensuring providers maintain current licensing and certification documentation of nursing care staff.
 - Ensuring that members are educated on their rights and covered services.
 - Promoting improvement in the quality of care provided to enrolled members.
 - Maintaining a health information system that collects and reports data to facilitate a comprehensive quality management/quality improvement program.
 - Training case management staff to identify and screen for members' behavioral health needs.

Performance Measure Review

Strengths

Performance measure review is an area of strength overall for the program contractor. No CAPs were required. Furthermore, HCBS and HbA1c testing rates were already well over the AHCCCS long-range benchmarks, while diabetic lipids screening and retinal exam rates were above the AHCCCS goals.

Opportunities for Improvement and Recommendations

For the performance measures, it is recommended that the program contractor focus on methods to increase rates for diabetic lipids screening and retinal exams to try to reach the AHCCCS long-range benchmarks. Considering that program contractors have limited resources for quality improvement activities, this recommendation is made with the caveat that changes should not result in the sacrifice of other quality improvement activities that need more improvement.

Review of PIPs

Strengths

The diabetes management rates well-exceeded the HEDIS[®] 90th percentile benchmarks, the highest published. This PIP can only be viewed as a complete success and strength to the program contractor's quality improvement system.

Opportunities for Improvement and Recommendations

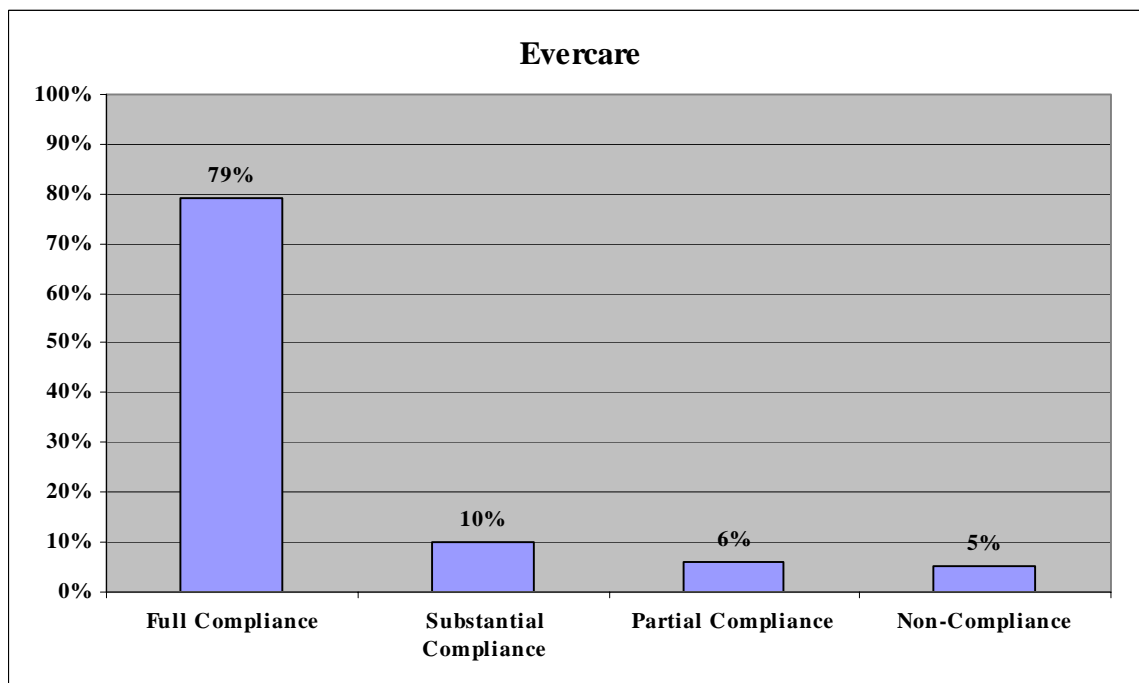
Much work needs to be done on the children's oral health PIP. It is recommended that the program contractor fortify efforts toward improving the rates for children's dental visits. The current rates are currently about half the AHCCCS benchmark and are below the 25th percentile benchmark for HEDIS[®] national rates despite the modest increase in rates between the two most recent measurement cycles.

Evercare Select (Evercare)

Compliance With Standards (Operational and Financial Review)

Figure 3-7 shows the program contractor's percentage of compliance with the technical standards selected for review in CY 2004-2005. The percentages of the standards in full compliance, substantial compliance, partial compliance, and non-compliance are separately shown.

Figure 3-7—Compliance with Technical Standards for Evercare



The difference between at least partial compliance (the sum of full, substantial, and partial compliance) and full compliance (which can be represented by 95 percent – 79 percent = 16 percent) reflects a scenario in which the program contractor seems to know the intent of the technical standards but is not fully achieving it. This scenario contrasts with the 5 percent non-compliance, which indicates that the program contractor might not understand the intent of the technical standards. In the first case (i.e., understanding but not fully achieving the technical standards), the program contractor might make large strides to attain full compliance with relatively little effort. Moving a technical standard from non-compliance to full compliance, however, might require additional educational and other activities.

Figure 3-8 shows the extent of compliance for each of the major areas within the technical standards. The figure highlights both areas of strength and opportunities for improvement. In each category, the figure shows the level of compliance with the technical standards based on full compliance, substantial compliance, partial compliance, and non-compliance.

Figure 3-8—Categorized Levels of Compliance with Technical Standards for Evercare

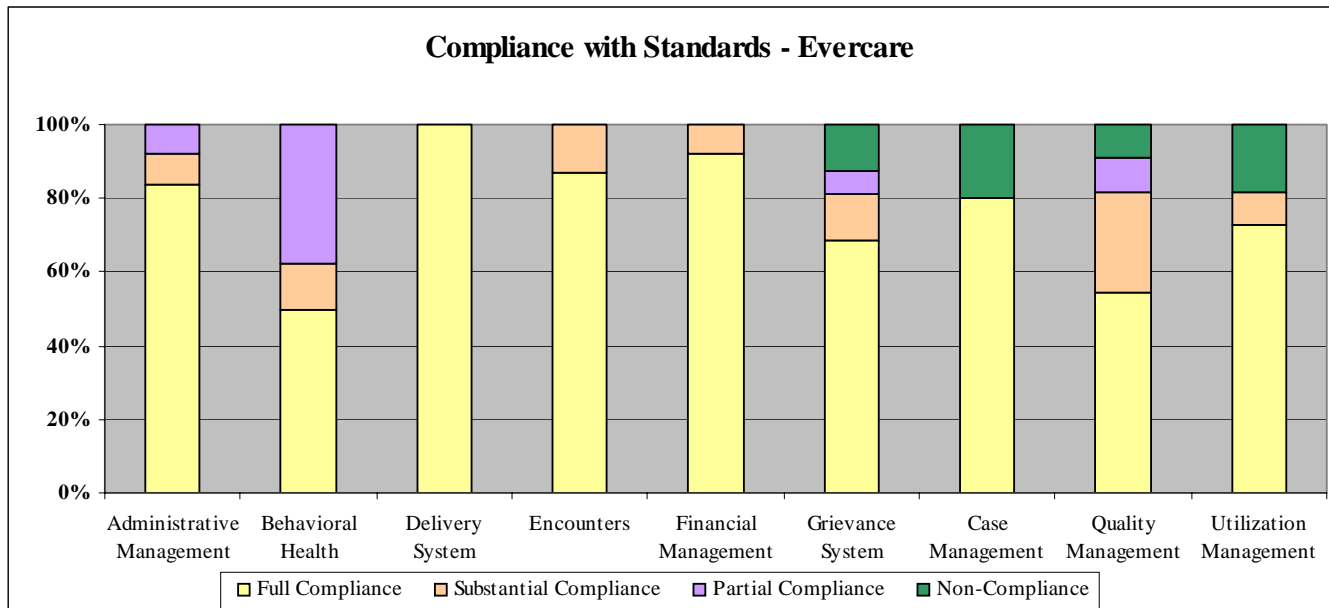


Figure 3-8 shows that only the delivery system category was in full compliance with all of the individual technical standards for its category. Encounters and financial management show that all of their technical standards are in at least substantial compliance. Several categories of compliance represent opportunities for improvement, including behavioral health and quality management, which show only about half of their technical standards in full compliance. The grievance system, case management, and utilization management categories all show more than 10 percent of their technical standards in non-compliance, with quality management close at 9.1 percent. Overall, 94 technical standards were in full compliance, 12 in substantial compliance, 7 in partial compliance, and 6 in non-compliance.

CAPs for Compliance with Standards

Table 3-5 presents each of the categories of technical standards reviewed, the number of CAPs required, each category's percentage of all CAPs, the total number of technical standards in each category, and the percentage of technical standards with a CAP for each category.

The program contractor did not receive a single CAP for delivery system, making that category a recognized strength. Financial management, case management, and utilization management received only one CAP each.

Conversely, the table shows that grievance system and quality management had the greatest opportunities for improvement based on the percentage of all CAPs in each category. Also, behavioral health had a large opportunity for improvement based on its percentage of technical standards requiring a CAP. Overall, 18 percent of the technical standards required a CAP.

Table 3-5—CAP Overview for Evercare				
Categories of Technical Standards	Number of CAPs	Percent of Total CAPs	Total Number of Standards Across Program Contractors	CAPs as Percent of Standards
Administrative Management	3	14%	25	12%
Behavioral Health	4	18%	8	50%
Delivery System	0	0%	15	0%
Encounters	2	9%	15	13%
Financial Management	1	5%	13	8%
Grievance System	5	23%	16	31%
Case Management	1	5%	5	20%
Quality Management	5	23%	11	45%
Utilization Management	1	5%	11	9%
Total	22	100%	119	18%
Note: Utilization management includes a roll-up of two standards from maternal child health.				

Performance Measure Review

Table 3-6 shows the separate performance measures for the two most recent time periods, along with the relative percentage change and the statistical significance level for each of the changes in rates over time. Additionally, the table presents the CY 2004 minimum AHCCCS performance standards, whether a CAP was required, the AHCCCS goal, and the AHCCCS long-range benchmarks.

The table lists N/A for the diabetes management performance measures for the earlier time period because different methodology was used during previous remeasurements, making a comparison between the time periods inappropriate. Comparisons between the current rates for diabetes management and the CY 2004 minimum AHCCCS performance standard, AHCCCS goal, and AHCCCS long-range benchmarks were, however, appropriate.

The table shows that the program contractor achieved a statistically significant increase for the initiation of HCBS rate. The relative increase in rates was 24.3 percent. The current rate for initiation of HCBS exceeds both the CY 2004 minimum AHCCCS performance standard and the AHCCCS goal, and almost reaches the AHCCCS long-range benchmark.

For diabetes management, HbA1c testing, lipid screening, and retinal exams showed program contractor rates that exceeded both the CY 2004 minimum AHCCCS performance standard and the AHCCCS goal. Nonetheless, more improvement is needed to reach AHCCCS long-range benchmarks for all three diabetes management measures. Both the individual performance measures and the overall performance measure review demonstrate strength in the program contractor's operations.

Table 3-6—Performance Measurement Review for Evercare

Performance Measure	Actual Performance for Oct. 1, 2002, to Sept. 30, 2003	Actual Performance for Oct. 1, 2003, to Sept. 30, 2004	Relative Percent Change	Significance Level*	CY 2004 Minimum AHCCCS Performance Standard	CAP Required	AHCCCS Goal	AHCCCS Long-Range Benchmarks
Initiation of HCBS	68.7%	85.4%	24.3%	p=.015	74.0%	No	76%	87%
Diabetes Management – HbA1c Testing	N/A ¹	60.9%	N/A ²	N/A ²	51.0%	No	55%	85%
Diabetes Management – Lipid Screening	N/A ¹	63.6%	N/A ²	N/A ²	47.0%	No	51%	81%
Diabetes Management – Retinal Exams	N/A ¹	50.5%	N/A ²	N/A ²	31.0%	No	35%	64%

* Significance levels (p-values) noted in the table demonstrate the statistical significance between performance for the previous measurement period and performance for the current measurement period.

¹ This is the first measurement period for diabetes management using a revised methodology. Previous measurements used a different methodology; therefore, N/A is noted for this measurement period.

² Since this is the first measurement period for diabetes management using the new methodology, changes in performance cannot be calculated.

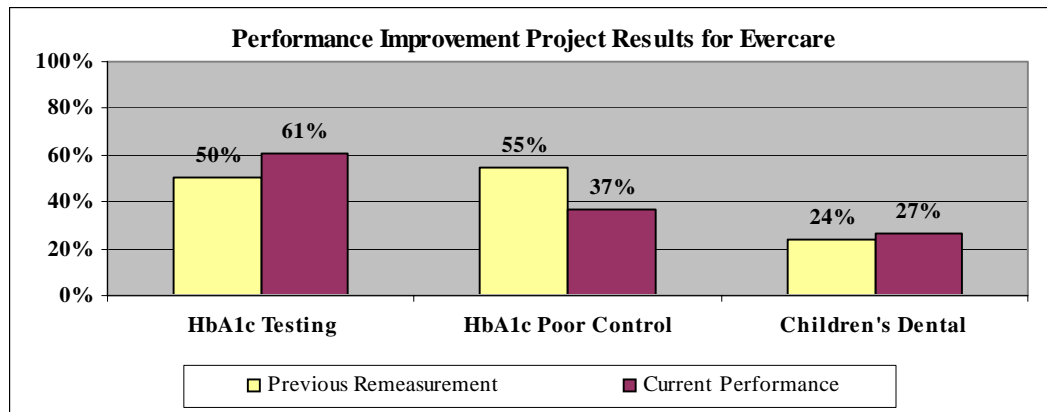
Performance Measures—CAPs

No CAPs were required for the program contractor.

Review of PIPs

Figure 3-9 presents the results of the program contractor's two PIPs, adult diabetes management and children's oral health. For children's oral health, results for all of the program contractors were aggregated due to small numbers of eligible members and were repeated in their aggregate form for each program contractor. The figure shows improvement in each of the measures used to assess these PIPs. Nonetheless, the rate for HbA1c testing was at about the bottom 25th national percentile of HEDIS[®] benchmarks. HbA1c poor control, a reversed indicator for which a lower rate shows better performance, was near the top 25th percentile benchmark. The children's oral health measure was approximately half the AHCCCS benchmark of 57 percent.

Figure 3-9—PIP Results for Evercare



Strengths, Opportunities for Improvement, and Recommendations for Evercare

The next three sections discuss: (1) compliance with standards, (2) performance measures, and (3) PIPs. Each of these three sections presents the strengths for the area of review that were found in the documentation provided to HSAG, opportunities for improvement, and recommendations.

Compliance with Standards (Operational and Financial Review)

Strengths

The delivery system category had all of its technical standards in full compliance, making it a strength in the program contractor's operations. Encounters and financial management had all of their technical standards in at least substantial compliance and were, to a lesser extent, considered strengths.

Opportunities for Improvement and Recommendations

Behavioral health, grievance system, quality management, and utilization management had technical standards that were less than 80 percent in full compliance. As shown in Table 3-5, behavioral health, grievance system, and quality management represented the greatest opportunities for improvement for the program contractor. Utilization management was not as big of an opportunity for improvement due to its lack of CAPs. Specifically, recommendations to improve performance by Evercare can be summarized by the following:

- ◆ Evercare policies, procedures, and processes need to be enhanced to include specific AHCCCS requirements related to:
 - Grievances and appeals.
 - Medical records.
 - Prior authorization.
- ◆ There were a number of standards related to provider network monitoring that were out of compliance. Specific areas requiring improvement include:
 - Monitoring delegated/subcontracted activities.

- Monitoring provider and program contractor compliance with AHCCCS performance measure standards.
- Ensuring providers comply with appeal processes.
- ◆ Other areas of focus were concentrated on monitoring and management of the program. Specific areas requiring improvement include:
 - Ensuring that members are educated on their rights and covered services.
 - Ensuring member materials contain a current provider directory.
 - Ensuring that the program contractor receives feedback on its cultural competency plan and program.
 - Ensuring that program contractor staffs are properly trained to identify behavioral health needs and coordinate behavioral health services in a timely manner.
 - Ensuring that case management caseloads are in compliance with AHCCCS standards.

Performance Measure Review

Strengths

Performance measure review was an overall area of strength for the program contractor. No CAPs were required. The HCBS rate exceeded both the CY 2004 minimum AHCCCS performance standard and the AHCCCS goal, and was approaching the AHCCCS long-range benchmark. For diabetes management, all three rates exceeded both the CY 2004 minimum AHCCCS performance standard and the AHCCCS goal. The program contractor's performance measures were, therefore, areas of strength.

Opportunities for Improvement and Recommendations

It is recommended that the program contractor concentrate on methods to increase the rates of the four measures to reach the AHCCCS long-range benchmarks. Considering that program contractors have limited resources for quality improvement activities, this recommendation is made with the caveat that changes should not result in the sacrifice of other quality improvement activities that need more improvement.

Review of PIPs

Strengths

The diabetes management PIP rates improved between the two most recent measurement cycles.

Opportunities for Improvement and Recommendations

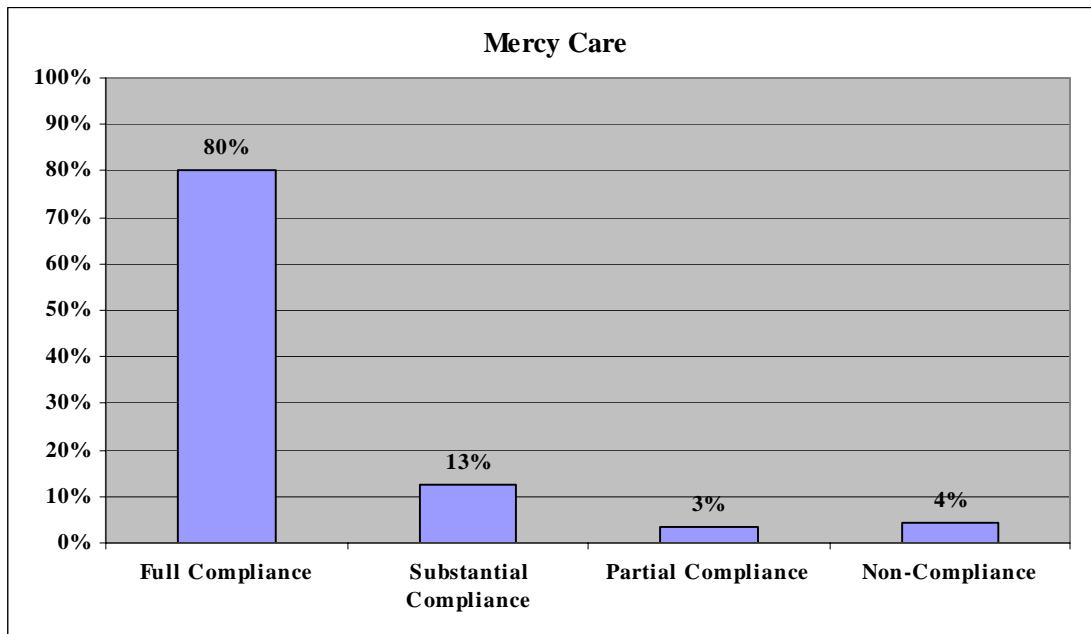
Evercare was the only one of six program contractors that needed to continue the PIP to sustain the improvements made during the most recent measurement cycles. For the children's oral health PIP, the aggregate rate for children's annual dental visits was approximately half the AHCCCS benchmark. It is recommended that the program contractor fortify efforts toward improving the rates for children's dental visits. Despite the modest increase in rates between the two most recent measurement cycles, the current rate for this PIP suggests a substantial opportunity for improvement.

Mercy Care Plan (Mercy Care)

Compliance With Standards (Operational and Financial Review)

Figure 3-10 shows the program contractor's percentage of compliance with the technical standards selected for review in CY 2004-2005. The percentages of the standards in full compliance, substantial compliance, partial compliance, and non-compliance are shown separately.

Figure 3-10—Compliance with Technical Standards for Mercy Care



The difference between at least partial compliance (the sum of full, substantial, and partial compliance) and full compliance (which can be represented as 96 percent – 80 percent = 16 percent) reflects a scenario in which the program contractor seems to know the intent of the technical standards but is not fully achieving it. This scenario contrasts with the 4 percent non-compliance, which indicates that the program contractor might not understand the intent of the technical standards. In the first case (i.e., understanding but not fully achieving the technical standards), the program contractor might make large strides to attain full compliance with relatively little effort. Moving a technical standard from non-compliance to full compliance, however, might require additional educational and other activities.

Figure 3-11 shows the extent of compliance for each of the major areas within the technical standards. The figure highlights both areas of strength and opportunities for improvement. In each category, the figure shows the level of compliance with the technical standards based on full compliance, substantial compliance, partial compliance, and non-compliance.

Figure 3-11—Categorized Levels of Compliance with Technical Standards for Mercy Care

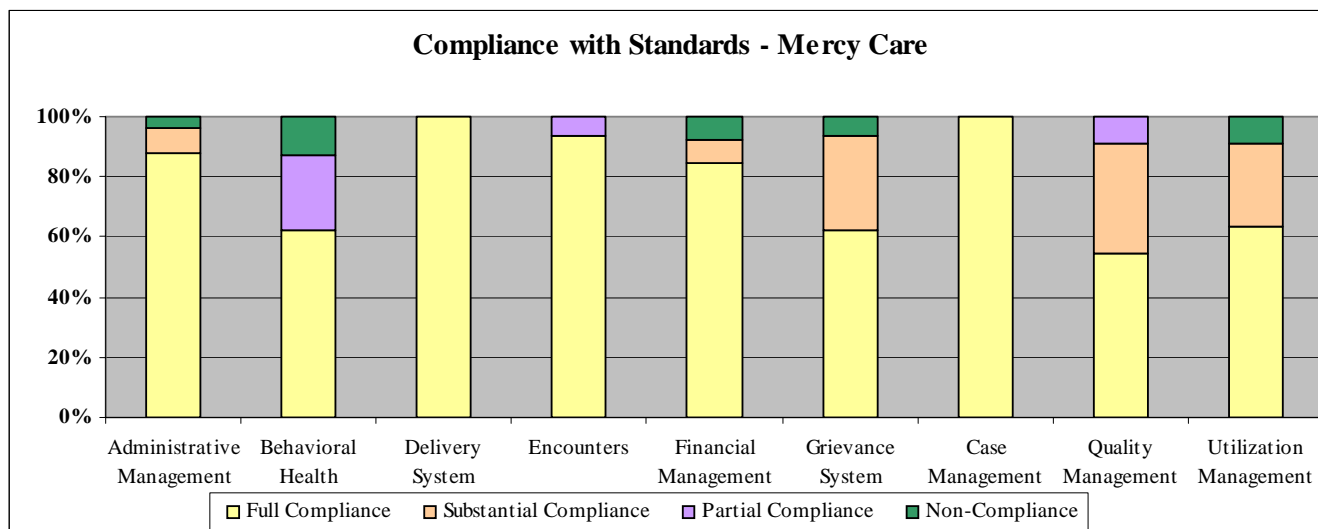


Figure 3-11 shows that delivery system and case management were in full compliance with all of the technical standards in their categories. No other compliance with standards category had all of its technical standards in at least in substantial compliance. Several categories represented opportunities for improvement, including behavioral health, grievance system, quality management, and utilization management, which had less than 65 percent of their technical standards in full compliance. Behavioral health had 12.5 percent of its technical standards in non-compliance and utilization management had 9.1 percent of its standards in non-compliance. Overall, 96 technical standards were in full compliance, 15 in substantial compliance, 4 in partial compliance, and 5 in non-compliance.

CAPs for Compliance with Standards

Table 3-7 presents each of the categories of technical standards reviewed, the number of CAPs required, each category's percentage of all CAPs, the total number of technical standards in each category, and the percentage of technical standards with a CAP for each category.

The program contractor did not receive a single CAP for delivery system or encounters, making those categories recognized strengths. Case management received only one CAP, making this category also a recognized strength for the program contractor.

Conversely, the table shows that grievance system, quality management, and utilization management had the greatest opportunities for improvement based on the percentage of all CAPs in each category. Also, behavioral health had a large opportunity for improvement based on its percentage of technical standards with a CAP. Overall, 20 percent of the technical standards required a CAP.

Table 3-7—CAP Overview for Mercy Care

Categories of Technical Standards	Number of CAPs	Percent of Total CAPs	Total Number of Standards Across Program Contractors	CAPs as Percent of Standards
Administrative Management	3	13%	25	12%
Behavioral Health	3	13%	8	38%
Delivery System	0	0%	16	0%
Encounters	0	0%	15	0%
Financial Management	2	8%	13	15%
Grievance System	6	25%	16	38%
Case Management	1	4%	5	20%
Quality Management	5	21%	11	45%
Utilization Management	4	17%	11	36%
Total	24	100%	120	20%

Note: Utilization management includes a roll-up of two standards from maternal child health.

Performance Measure Review

Table 3-8 shows the separate performance measures for the two most recent time periods, along with the relative percentage change and the statistical significance level for each of the changes in rates over time. Additionally, the table presents the CY 2004 minimum AHCCCS performance standard, whether a CAP was required, the AHCCCS goal, and the AHCCCS long-range benchmarks.

The table lists N/A for the diabetes management performance measures for the earlier time period because previous remeasurements used a different methodology, making a comparison between time periods inappropriate. Comparisons between current rates for diabetes management and the CY 2004 minimum AHCCCS performance standard, AHCCCS goal, and AHCCCS long-range benchmarks were, however, appropriate.

The table shows that the program contractor did not achieve a statistically significant increase for the initiation of HCBS rate. The relative increase on rates was only 5.4 percent. Yet, the current rate for initiation of HCBS exceeds both the CY 2004 minimum AHCCCS performance standard and the AHCCCS goal, and is within 1.5 percent of the AHCCCS long-range benchmark.

Diabetes management, HbA1c testing, lipid screening, and retinal exams had rates that all exceeded both the CY 2004 minimum AHCCCS performance standard and the AHCCCS goal. Nonetheless, more improvement was needed to reach the AHCCCS long-range benchmarks for all three diabetes management measures. The individual performance measures and the overall performance measure review demonstrated strength in the program contractor's operations.

Table 3-8—Performance Measurement Review for Mercy Care

Performance Measure	Actual Performance for Oct. 1, 2002, to Sept. 30, 2003	Actual Performance for Oct. 1, 2003, to Sept. 30, 2004	Relative Percent Change	Significance Level*	CY 2004 Minimum AHCCCS Performance Standard	CAP Required	AHCCCS Goal	AHCCCS Long-Range Benchmarks
Initiation of HCBS	81.1%	85.5%	5.4%	p=.330	74.0%	No	76%	87%
Diabetes Management – HbA1c Testing	N/A ¹	76.9%	N/A ²	N/A ²	51.0%	No	55%	85%
Diabetes Management – Lipid Screening	N/A ¹	70.3%	N/A ²	N/A ²	47.0%	No	51%	81%
Diabetes Management – Retinal Exams	N/A ¹	53.3%	N/A ²	N/A ²	31.0%	No	35%	64%

* Significance levels (p-values) noted in the table demonstrate the statistical significance between performance for the previous measurement period and performance for the current measurement period.

¹ This is the first measurement period for diabetes management using a revised methodology. Previous measurements used a different methodology; therefore, N/A is noted for this measurement period.

² Since this is the first measurement period for diabetes management using the new methodology, changes in performance cannot be calculated.

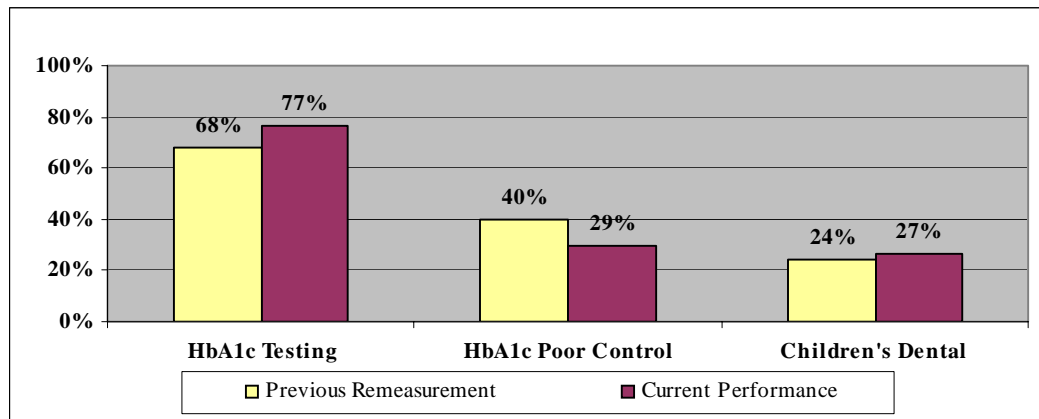
Performance Measures—CAPs

No CAPs were required for the program contractor.

Review of PIPs

Figure 3-12 presents the results of the program contractor's two PIPs, adult diabetes management and children's oral health. For children's oral health, results for all of the program contractors were aggregated due to small numbers of eligible members and were repeated in their aggregate form for each program contractor. The figure shows improvement in each of the measures used to assess these PIPs. Nonetheless, HbA1c testing was at about the 50th national percentile of HEDIS® benchmarks. HbA1c poor control, a reversed indicator in which a lower rate shows better performance, was near the top 10th percentile benchmark. The children's oral health measure was approximately half the AHCCCS benchmark of 57 percent.

Figure 3-12—PIP Results for Mercy Care



Strengths, Opportunities for Improvement, and Recommendations for Mercy Care

The next three sections discuss: (1) compliance with standards, (2) performance measures, and (3) PIPs. Each of these three sections presents the strengths for the area of review that were found in the documentation provided to HSAG, opportunities for improvement, and recommendations.

Compliance with Standards (Operational and Financial Review)

Strengths

The delivery system and case management categories had all of their technical standards in full compliance and were strengths in the program contractor's operations. Furthermore, delivery system and encounters received no CAPs for the compliance with standards review. These categories of compliance are, therefore, considered strengths for the program contractor.

Opportunities for Improvement and Recommendations

Figure 3-11 and Table 3-7 show that behavioral health, grievance system, quality management, and utilization management had opportunities for improvement in the compliance with standards review. These categories: (1) showed relatively low rates of technical standards in full or substantial compliance, (2) had relatively high percentages of all CAPs, and (3) had relatively high percentages of technical standards with CAPs. Specifically, recommendations to improve performance by Mercy Care can be summarized by the following:

- ◆ Mercy Care policies, procedures, and processes need to be enhanced to include specific AHCCCS requirements related to prior authorization of services.
- ◆ Other areas of focus were concentrated on monitoring and management of the program. Specific areas requiring improvement include:
 - Ensuring that members are educated on their rights and covered services.
 - Ensuring that members receive a current provider directory.

- Ensuring that program contractor staffs are properly trained to identify behavioral health needs and coordinate behavioral health services in a timely manner.
- Ensuring proper incurred but not reported (IBNR) reporting and management of encounters.
- Ensuring proper performance improvement reporting to AHCCCS using standard performance measures.

Performance Measure Review

Strengths

Performance measure review was an area of overall strength for the program contractor. No CAPs were required. The HCBS rate exceeded both the CY 2004 minimum AHCCCS performance standard and the AHCCCS goal, and was approaching the AHCCCS long-range benchmark. For diabetes management, all three rates exceeded both the CY 2004 minimum AHCCCS performance standard and the AHCCCS goal. Although the increase in the HBCS rate did not achieve statistical significance, the program contractor's performance measures were an area of strength.

Opportunities for Improvement and Recommendations

It is recommended that the program contractor focus on methods to increase diabetes management rates to reach the AHCCCS long-range benchmarks. Considering that program contractors have limited resources for quality improvement activities, this recommendation is made with the caveat that changes should not result in the sacrifice of other quality improvement activities that need more improvement.

Review of PIPs

Strengths

The diabetes management measures not only improved between measurement cycles, but both of the increases in rates achieved statistical significance. The aggregate measure for the children's oral health measure also improved. The PIPs were, therefore, considered strengths for the program contractors..

Opportunities for Improvement and Recommendations

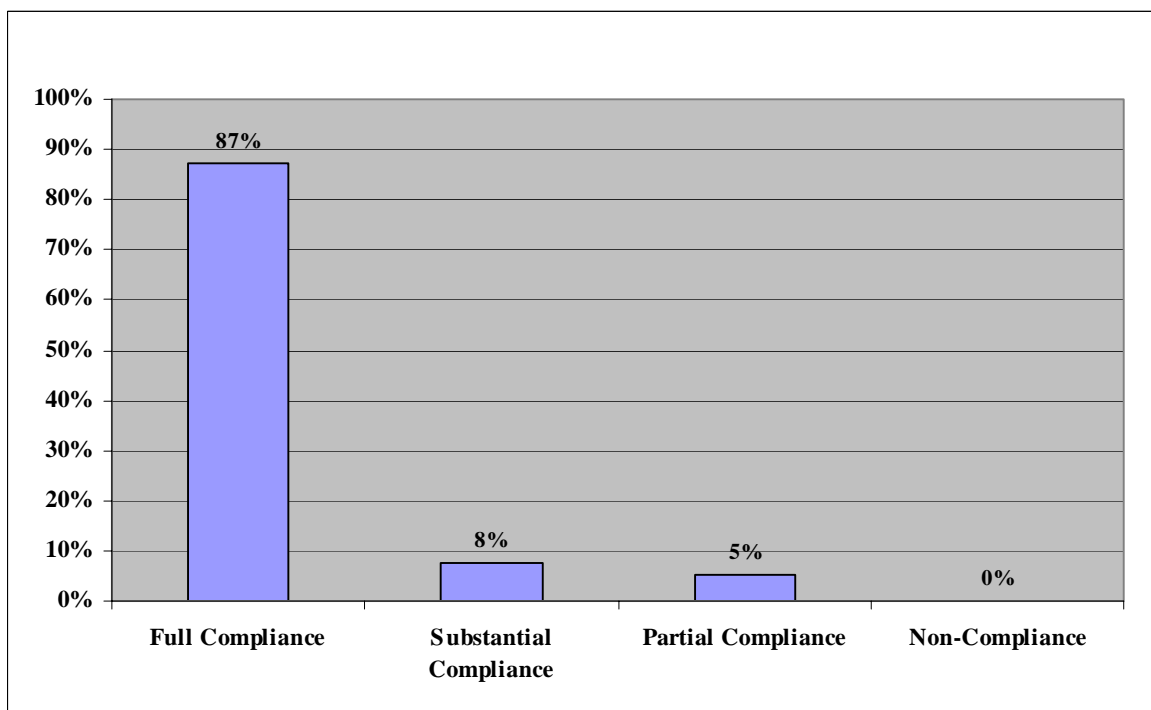
There was opportunity for improvement in children's dental visits, which would need to improve substantially to attain statistical significance as well as achieve the AHCCCS benchmark of 57 percent, which was roughly twice the current rate for the measure. It is recommended that the program contractor fortify efforts toward improving the rates for children's dental visits.

Pima Health System (Pima)

Compliance with Standards (Operational and Financial Review)

Figure 3-13 shows the program contractor's percentage of compliance with the technical standards selected for review in CY 2004–2005. The percentages of the standards in full compliance, substantial compliance, partial compliance, and non-compliance are shown separately.

Figure 3-13—Compliance with Technical Standards for Pima



The difference between at least partial compliance (the sum of full, substantial, and partial compliance) and full compliance, which can be presented as $100 \text{ percent} - 87 \text{ percent} = 13 \text{ percent}$, represents a scenario in which the program contractor seems to know the intent of the technical standards but is not fully achieving it. Relatively modest interventions should be able to move to full compliance those technical standards that are not fully compliant. Importantly, not a single technical standard was in non-compliance for the Compliance with Standards Review.

Figure 3-14 shows the extent of compliance for each of the major areas within the technical standards. The figure highlights areas of strength and areas where opportunities for improvement exist. The figure shows each category's percentage of compliance with the technical standards—either full compliance, substantial compliance, or partial compliance. No non-compliance ratings are shown for any category.

Figure 3-14—Categorized Levels of Compliance with Technical Standards for Pima

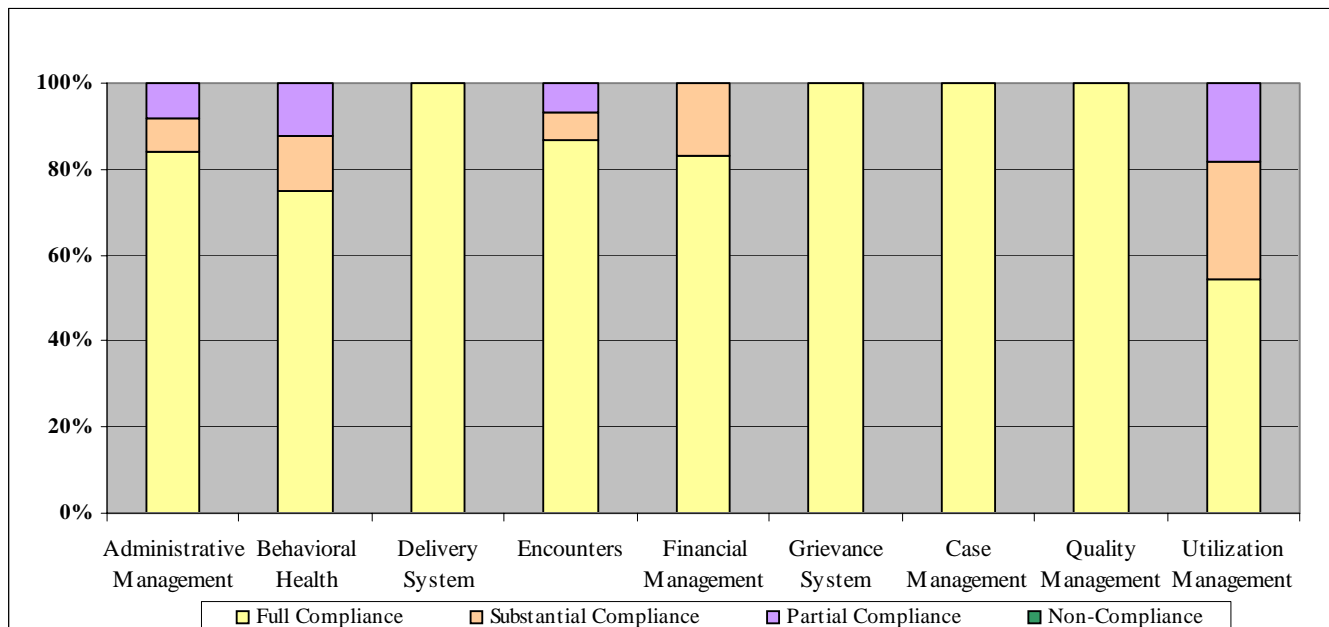


Figure 3-14 shows that delivery system, grievance system, case management, and quality management are in full compliance with all individual technical standards for their categories. Utilization Management shows the largest opportunity for improvement with 55 percent of the technical standards in full compliance, 27 percent in substantial compliance, and 18 percent in partial compliance. In total, 104 standards were in full compliance, nine were in substantial compliance, and six were in partial compliance.

CAPs for Compliance with Standards

Table 3-9 presents each of the categories of technical standards reviewed, the number of CAPs required, the percentage of all CAPs in each category, the total number of technical standards in each category, and the percentage of technical standards for each category with a CAP.

The program contractor did not receive a CAP for delivery system, grievance system, case management, or quality management, making those categories recognized strengths. Additionally, behavioral health, encounters, and financial management received only two CAPs in each category, showing these categories are recognized strengths but also opportunities for improvement.

The table also shows that, proportional to the number of CAPs, utilization management and administrative management present the two largest opportunities for improvement, and as a percentage of all standards, behavioral health and financial management also present a proportionately large improvement opportunity. Overall, 13 percent of the technical standards required a CAP.

Table 3-9—CAP Overview for Pima

Categories of Technical Standards	Number of CAPs	Percent of Total CAPs	Total Number of Standards Across Program Contractors	CAPs as Percent of Standards
Administrative Management	4	27%	25	16%
Behavioral Health	2	13%	8	25%
Delivery System	0	0%	16	0%
Encounters	2	13%	15	13%
Financial Management	2	13%	12	17%
Grievance System	0	0%	16	0%
Case Management	0	0%	5	0%
Quality Management	0	0%	11	0%
Utilization Management	5	33%	11	45%
Total	15		119	13%

Note: Utilization Management includes a roll-up of two standards from Maternal Child Health.

Performance Measure Review

Table 3-10 shows the separate performance measures for the two most recent time periods, along with the relative percentage change and the statistical significance level for each of the changes in rates over time. Additionally, the table presents the CY 2004 minimum AHCCCS performance standard, whether a CAP was required, the AHCCCS goal, and the AHCCCS long-range benchmarks.

The table shows N/A for the diabetes management performance measures for the earlier time period because the previous remeasurements used a different methodology, making a comparison between time periods inappropriate. Comparisons between the current rates for diabetes management with the CY 2004, the AHCCCS goal, and the AHCCCS long-range benchmarks are, however, fully appropriate.

The table shows that the program contractor did not achieve a statistically significant increase for initiation of HCBS and, in fact, decreased by a nonstatistically significant relative 1.1 percent. Yet, the current rate for initiation of HCBS exceeds the CY 2004, the AHCCCS goal, and the AHCCCS long-range benchmark. Although decreased, the program contractor is to be commended for achieving and sustaining an almost perfect rate for the HCBS measure.

For diabetes management, HbA1c testing and lipid screening showed rates that exceeded both the CY 2004 minimum AHCCCS performance standard and the AHCCCS goals. The rate for retinal exams exceeded the CY 2004 minimum AHCCCS standard. Nonetheless, more improvement is needed for all of the diabetes management rates to reach the AHCCCS long-range benchmarks. A greater opportunity for improvement exists for the retinal exams measure than for the other three performance measures.

Table 3-10—Performance Measurement Review for Cochise

Performance Measure	Actual Performance for Oct. 1, 2002, to Sept. 30, 2003	Actual Performance for Oct. 1, 2003, to Sept. 30, 2004	Relative Percent Change	Significance Level*	CY 2004 Minimum AHCCCS Performance Standard	CAP Required	AHCCCS Goal	AHCCCS Long-Range Benchmarks
Initiation of HCBS	97.8%	96.7%	-1.1%	p=.701	74.0%	No	76%	87%
Diabetes Management – HbA1c Testing	N/A ¹	75.5%	N/A ²	N/A ²	51.0%	No	55%	85%
Diabetes Management – Lipid Screening	N/A ¹	74.1%	N/A ²	N/A ²	47.0%	No	51%	81%
Diabetes Management – Retinal Exams	N/A ¹	31.1%	N/A ²	N/A ²	31.0%	No	35%	64%

* Significance levels (p-value) noted in the table demonstrate the statistical significance between the performance for the previous measurement period and performance for the current measurement period.

¹ This is the first measurement period for diabetes management using a revised methodology. Previous measurements used a different methodology; therefore, N/A is noted for the previous measurement period.

² Since this is the first measurement period for diabetes management using the new methodology, changes in performance cannot be calculated.

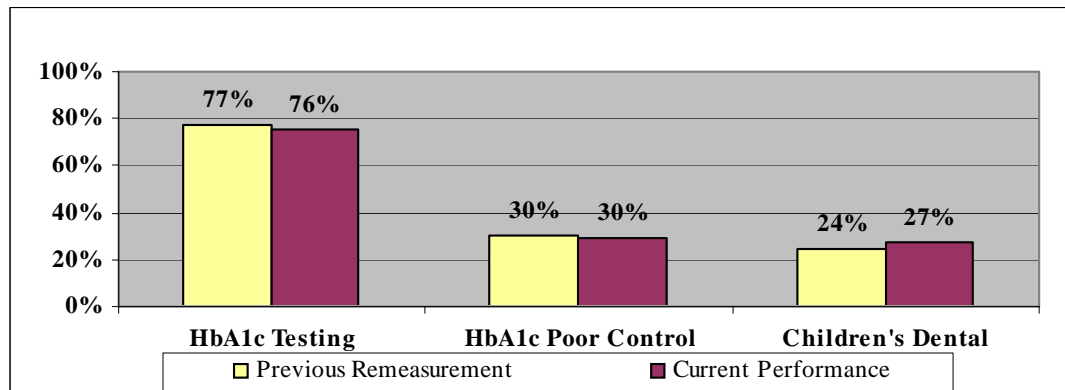
Performance Measures—CAPs

No CAPs were required for the program contractor.

Review of PIPs

Figure 3-15 presents the results of the program contractor's two PIPs, one for adult diabetes management and one for children's oral health. For children's oral health, the results for all of the program contractors were aggregated due to the small numbers of eligible members, and they were repeated in their aggregate form for each program contractor. The figure shows flat performance for both of the diabetes management measures. Nonetheless, the rate for HbA1c testing was at about the 50th national percentile of HEDIS® benchmarks, although the rate for HbA1c poor control, a reversed indicator where a lower rate is better performance, was near the top 10th percentile benchmark. The children's oral health rate was approximately half the AHCCCS benchmark of 57 percent.

Figure 3-15—PIP Results for Pima



Strengths, Opportunities for Improvement, and Recommendations for Pima

The next three sections discuss: (1) compliance with standards, (2) performance measures, and (3) PIPs. Each of these three sections presents the strengths for the area of review that were found in the documentation provided to HSAG, opportunities for improvement, and recommendations.

Compliance with Standards (Operational and Financial Review)

Strengths

Delivery system, grievance system, case management, and quality management showed all of their technical standards in full compliance, received no CAPs, and are regarded as strengths to the program contractor's operations.

Opportunities for Improvement and Recommendations

Combining the results from Figure 3-14 and from Table 3-9, administrative management, behavioral health, financial management, and utilization management emerge as categories that present opportunities for improvement. Each of these categories showed relatively high rates of CAPs, although not a single technical standard was in non-compliance. Specific recommendations to improve performance by Pima can be summarized by the following:

- ◆ Pima policies, procedures, and processes need to be enhanced to include specific AHCCCS requirements related to utilization management.
- ◆ Other areas of focus were concentrated on monitoring and management of the program. Specific areas requiring improvement include:
 - Ensuring that members are educated on their rights.
 - Ensuring that covered behavioral health services are provided in a timely manner.
 - Ensuring proper management of encounters.

Performance Measure Review

Strengths

Overall, Performance Measure Review is an area of strength for the program contractor. No CAPs were required. The HCBS rate exceeded the CY 2004 minimum AHCCCS performance standard, the AHCCCS goal, and the AHCCCS long-range benchmark. For diabetes management, all three rates have exceeded the CY 2004 minimum AHCCCS performance standards. HbA1c testing and lipids screening exceeded the AHCCCS goals. The program contractor's performance measures are seen, therefore, as an area of strength, independent of the change in the rates for HBCS not declining significantly.

Opportunities for Improvement and Recommendations

The largest opportunity for improvement for the Performance Measure Review was in retinal exams, for which the program contractor exceeded the CY 2004 rate by just 0.1 percent. The recommendation is, therefore, that the program contractor focus on methods to increase the rates of diabetes management to try to reach the AHCCCS long-range benchmarks, especially for retinal exams. With the exception of retinal exams, and considering the limited resources available to most program contractors for quality improvement activities, this recommendation includes the caveat that efforts should not be of a magnitude that might result in sacrificing other quality improvement activities where more improvement is needed.

Review of PIPs

Strengths

Pima demonstrated improvement from the baseline measurement to the first remeasurement for diabetes management, and sustained that performance through the second remeasurement cycle. The rates were sufficiently high from both local and national perspectives. The aggregate measure for the children's oral health measure improved. The PIPs, therefore, are considered relative strengths for the program contractors.

Opportunities for Improvement and Recommendations

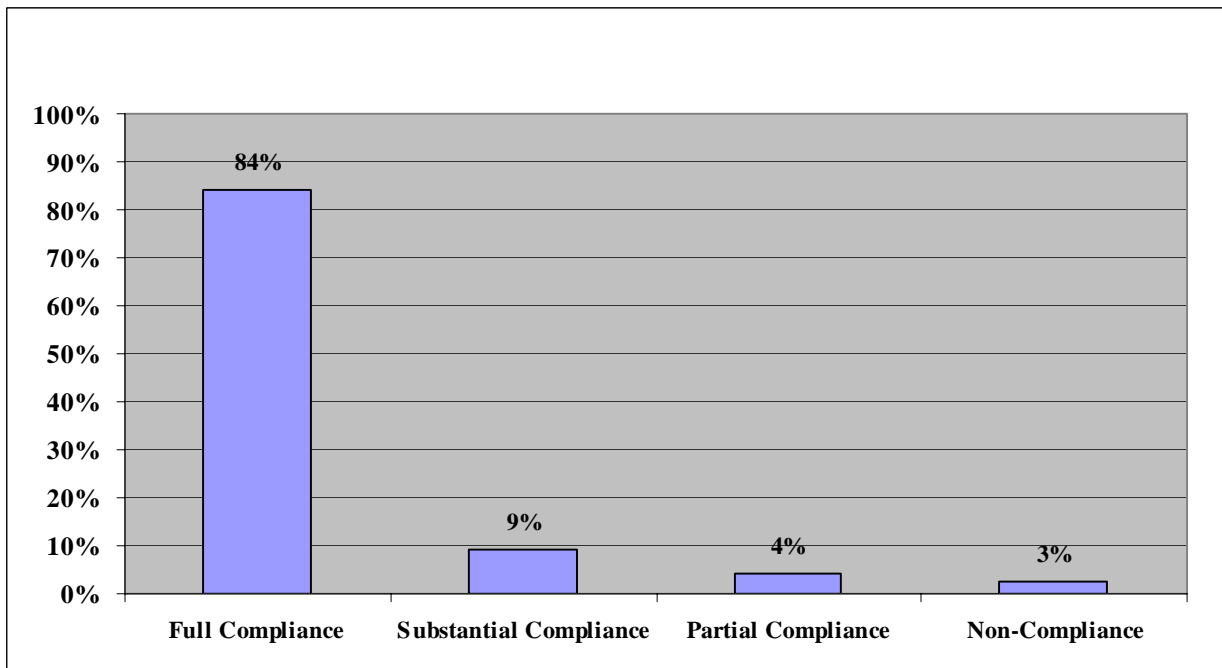
The most notable opportunity for improvement was in children's dental visits, which would need to improve substantially to attain statistical significance as well as to achieve the AHCCCS benchmark rate of 57 percent, which is roughly twice the current rate for the measure. The recommendation is that the program contractor fortify its efforts toward improving the rates for children's dental visits.

Pinal/Gila Long Term Care (Pinal/Gila)

Compliance With Standards (Operational and Financial Review)

Figure 3-16 shows the program contractor's percentage of compliance with the technical standards selected for review in CY 2004–2005. The percentages of the standards in full compliance, substantial compliance, partial compliance, and non-compliance are shown separately.

Figure 3-16—Compliance with Technical Standards for Pinal/Gila



The difference between at least partial compliance (the sum of full, substantial, and partial compliance) and full compliance can be represented as 97 percent – 84 percent = 13 percent. This represents a scenario in which the program contractor seems to know the intent of the technical standards but is not fully achieving it. This scenario contrasts with the relatively small 3 percent in non-compliance, where the program contractor might not understand the intent of the technical standards. In the first case (i.e. understanding but not fully achieving the technical standards), the program contractor might make large strides in attaining full compliance with relatively little effort. Moving a technical standard from non-compliance to full compliance, however, might require additional educational and other activities.

Figure 3-17 shows the extent of compliance for each of the major areas within the technical standards. The figure highlights areas of strength and areas where opportunities for improvement exist. The figure also shows each category's percentage of compliance with the technical standards—either full compliance, substantial compliance, partial compliance, or non-compliance.

Figure 3-17—Categorized Levels of Compliance with Technical Standards for Pinal/Gila

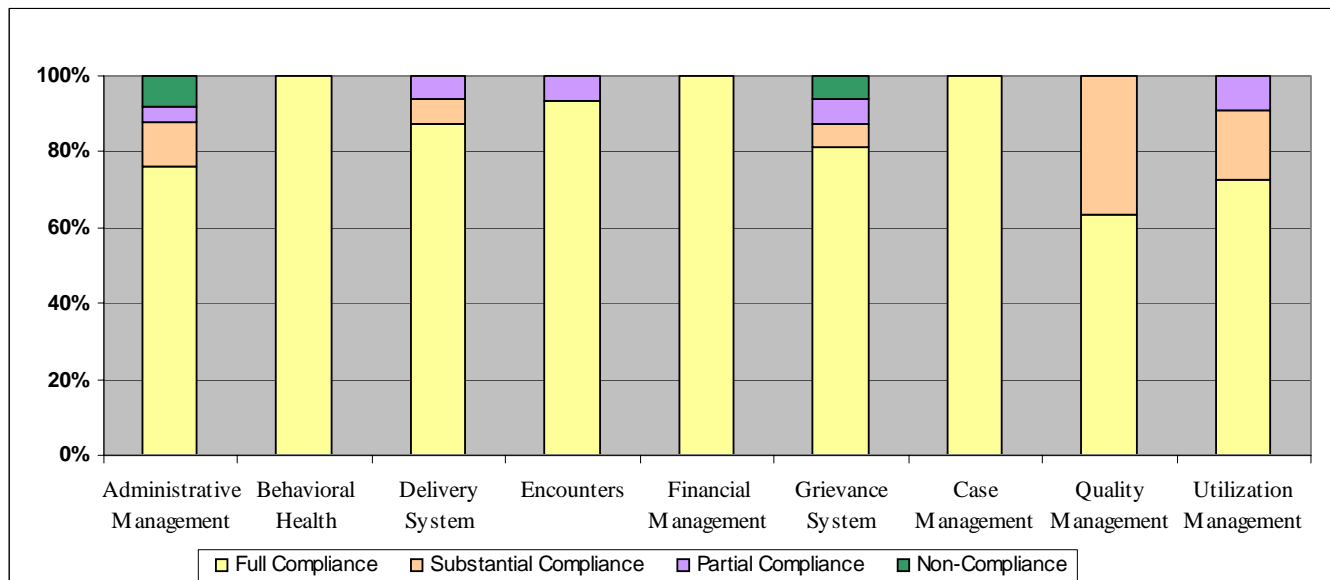


Figure 3-17 shows that behavioral health, financial management, and case management are in full compliance with all of the individual technical standards for their categories. Quality Management shows all of its technical standards in at least substantial compliance. Conversely, the figure suggests that administrative management, the grievance system, and utilization management represent opportunities for improvement. The category that shows the largest percentage of technical standards in non-compliance is administrative management at 8.0 percent. Notably, only two categories of technical standards show any non-compliance. In total, 101 of the standards were in full compliance, 11 were in substantial compliance, five were in partial compliance, and three were in non-compliance.

CAPs for Compliance with Standards

Table 3-11 shows each category of technical standards reviewed, the number of CAPs required, the percentage of all of the CAPs in each category, the total number of technical standards in each category, and the percentage of the technical standards for each category with a CAP.

The program contractor did not receive a CAP for behavioral health, financial management, or case management, making those categories recognized strengths. Additionally, encounters received only one CAP, also making this category a strength for the program contractor.

The table also shows that, proportional to the number of CAPs, administrative management and quality management present the two largest opportunities for improvement. Nonetheless, as a percentage of all of the standards, grievance system and utilization management also present proportionately large opportunity for improvement. Overall, 13 percent of the technical standards required a CAP.

Table 3-11—CAP Overview for Pinal/Gila				
Categories of Technical Standards	Number of CAPs	Percent of Total CAPs	Total Number of Standards Across Program Contractors	CAPs as Percent of Standards
Administrative Management	4	25%	25	16%
Behavioral Health	0	0%	8	0%
Delivery System	2	13%	16	13%
Encounters	1	6%	15	7%
Financial Management	0	0%	13	0%
Grievance System	3	19%	16	19%
Case Management	0	0%	5	0%
Quality Management	4	25%	11	36%
Utilization Management	2	13%	11	18%
Total	16		120	13%
Note: Utilization Management includes a roll-up of two standards from Maternal Child Health.				

Performance Measure Review

Table 3-12 shows the performance measures for the two most recent time periods, along with the relative percentage change and the statistical significance level for each of the changes in rates over time. Additionally, the table presents the CY 2004 minimum AHCCCS performance standard, whether a CAP was required, the AHCCCS goal, and the AHCCCS long-range benchmarks.

The table shows an N/A for the diabetes management performance measures for the earlier time period due to previous remeasurements using a different methodology, thereby rendering a comparison between time periods inappropriate. Comparisons between the current rates for diabetes management with the CY 2004 minimum AHCCCS performance standard, AHCCCS goal, and AHCCCS long-range benchmarks are, however, fully appropriate.

The table also shows that the program contractor did not achieve a statistically significant increase for the rate for initiation of HCBS, although the rate increased by a relative 3.6 percent. Yet, the current rate for Initiation of HCBS exceeds the CY 2004 minimum AHCCCS performance standard, the AHCCCS goal, and the AHCCCS long-range benchmark. For this reason, the contractor is to be commended for achieving and sustaining a relatively high rate for the HCBS measure.

Under diabetes management, the retinal exams, HbA1c testing, and lipid screening all showed rates that exceeded the CY 2004 minimum AHCCCS performance standard, the AHCCCS goals and the AHCCCS long-range benchmarks. This finding suggests that the performance measures are an area of uniform strength for the program contractor.

Table 3-12—Performance Measurement Review for Pinal/Gila

Performance Measure	Actual Performance for Oct. 1, 2002, to Sept. 30, 2003	Actual Performance for Oct. 1, 2003, to Sept. 30, 2004	Relative Percent Change	Significance Level*	CY 2004 Minimum AHCCCS Performance Standard	CAP Required	AHCCCS Goal	AHCCCS Long-Range Benchmarks
Initiation of HCBS	86.0%	89.1%	3.6%	p=.621	74.0%	No	76%	87%
Diabetes Management – HbA1c Testing	N/A ¹	87.3%	N/A ²	N/A ²	51.0%	No	55%	85%
Diabetes Management – Lipid Screening	N/A ¹	81.4%	N/A ²	N/A ²	47.0%	No	51%	81%
Diabetes Management – Retinal Exams	N/A ¹	73.5%	N/A ²	N/A ²	31.0%	No	35%	64%

* Significance levels (p-value) noted in the table demonstrate the statistical significance between the performance for the previous measurement period and performance for the current measurement period.

¹ This is the first measurement period for diabetes management using a revised methodology. Previous measurements used a different methodology; therefore, N/A is noted for the previous measurement period.

² Since this is the first measurement period for diabetes management using the new methodology, changes in performance cannot be calculated.

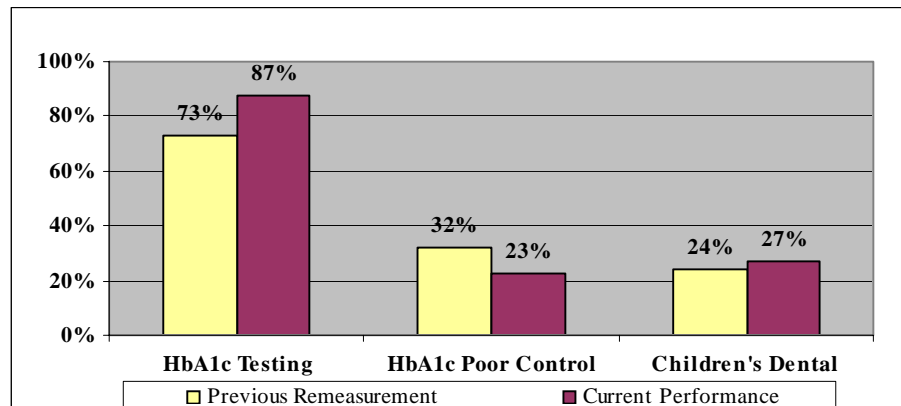
Performance Measures—CAPs

No CAPs were required for the program contractor.

Review of PIPs

Figure 3-18 shows the results of the program contractor’s two PIPs, for adult diabetes management and for children’s oral health. For children’s oral health, the results for all of the program contractors were aggregated due to small numbers of eligible members, and they were repeated in their aggregate form for each program contractor. The figure shows substantial improvement for both diabetes management measures—the rate for HbA1c poor control being a reversed indicator where a lower rate is better performance. Both measures were in the top 10th percentiles from the HEDIS® benchmarks. The children’s oral health measure was approximately half the AHCCCS benchmark of 57 percent.

Figure 3-18—PIP Results for Pinal/Gila



Strengths, Opportunities for Improvement, and Recommendations for Pinal/Gila

The next three sections discuss: (1) compliance with standards, (2) performance measures, and (3) PIPs. Each of these three sections presents the strengths for the area of review that were found in the documentation provided to HSAG, opportunities for improvement, and recommendations.

Compliance with Standards (Operational and Financial Review)

Strengths

Behavioral health, financial management, and case management showed all technical standards in full compliance, received no CAPs, and are regarded as strengths to the program contractor's operations. Due to the relatively low 13 percent of the technical standards requiring a CAP, the Compliance with Standards Review is seen as an area of strength for the program contractor.

Opportunities for Improvement and Recommendations

Combining the results from Figure 3-17 and from Table 3-11, administrative management, grievance system, quality management, delivery system, and utilization management emerge as categories that present opportunities for improvement for the Compliance with Standards Review. Each of these categories showed relatively high rates of CAPs. Specific recommendations to improve performance by Pinal/Gila can be summarized by the following:

- ◆ Pinal/Gila policies, procedures, and processes need to be enhanced to include specific AHCCCS requirements related to grievances and appeals.
- ◆ Other areas of focus were concentrated on monitoring and management of the program. Specific areas requiring improvement include:
 - Ensuring that members are educated on their rights.
 - Ensuring that the provider manual contains all required information.
 - Ensuring that Notice of Action forms furnish a specific reason for the intended action.
 - Ensuring privacy is maintained in the coordination of care.
 - Ensuring proper management of encounters.

Performance Measure Review

Strengths

Overall, Performance Measure Review is an area of strength for the program contractor. No CAPs were required. The HCBS rate exceeded the CY 2004 minimum AHCCCS performance standard, the AHCCCS goal, and the AHCCCS long-range benchmark. For diabetes management, all three rates also have exceeded the CY 2004 minimum AHCCCS performance standard, the AHCCCS goals, and the AHCCCS long-range benchmarks. The program contractor's performance measures, therefore, are seen as an area of strength, independent of the increase in the rate for HCBS not achieving statistical significance.

Opportunities for Improvement and Recommendations

The program contractor already has achieved the AHCCCS long-range benchmarks for all four performance measures. For this reason, no recommendations are offered beyond applying the needed resources to maintain the already high rates for these measures.

Review of PIPs

Strengths

The diabetes management measures not only improved between measurement cycles, but HbA1c testing increased by a statistically significance amount. Additionally, both diabetes management rates are impressive from a national perspective. The aggregate measure for the children's oral health measure also improved. The PIPs, therefore, are considered strengths for the program contractor.

Opportunities for Improvement and Recommendations

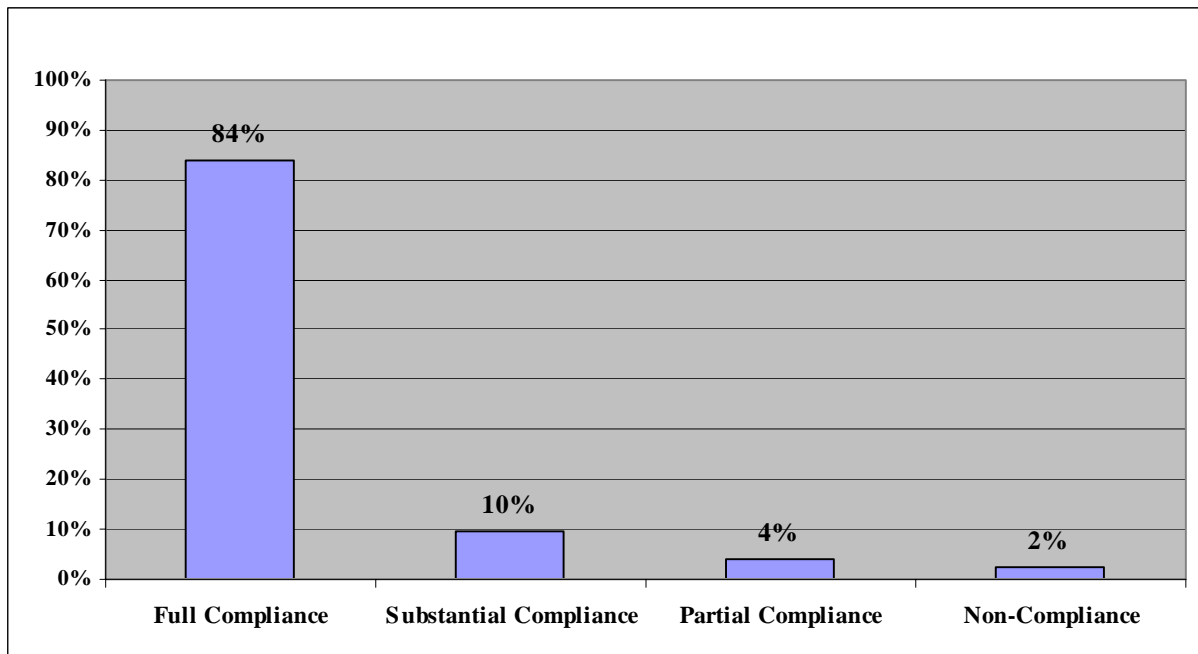
The notable opportunity for improvement was in children's dental visits, which would need to improve substantially to attain statistical significance as well as to achieve the AHCCCS benchmark rate of 57 percent, roughly twice the current rate for the measure. It is recommended that the program contractor fortify its efforts toward improving the rates for children's dental visits.

Yavapai County Long Term Care (Yavapai)

Compliance With Standards (Operational and Financial Review)

Figure 3-19 shows the program contractor's percentage of compliance with the technical standards selected for review in CY 2004–2005. The percentages of the standards in full compliance, substantial compliance, partial compliance, and non-compliance are shown separately.

Figure 3-19—Compliance with Technical Standards for Yavapai



The difference between at least partial compliance (the sum of full, substantial, and partial compliance) and full compliance can be presented as 98 percent – 84 percent = 14 percent. This represents a scenario in which the program contractor seems to know the intent of the technical standards but is not fully achieving it. This scenario contrasts with the relatively small 2 percent in non-compliance, where the program contractor might not understand the intent of the technical standards. In the first case (i.e. understanding but not fully achieving the technical standards), the program contractor might make large strides in attaining full compliance with relatively little effort. Moving a technical standard from non-compliance to full compliance, however, might require additional educational and other activities.

Figure 3-20 shows the extent of compliance for each of the major areas within the technical standards. The figure highlights areas of strength and areas in which opportunities for improvement exist. The figure also shows each category's percentage of compliance with the technical standards—either full compliance, substantial compliance, partial compliance, or non-compliance.

Figure 3-20—Categorized Levels of Compliance with Technical Standards for Yavapai

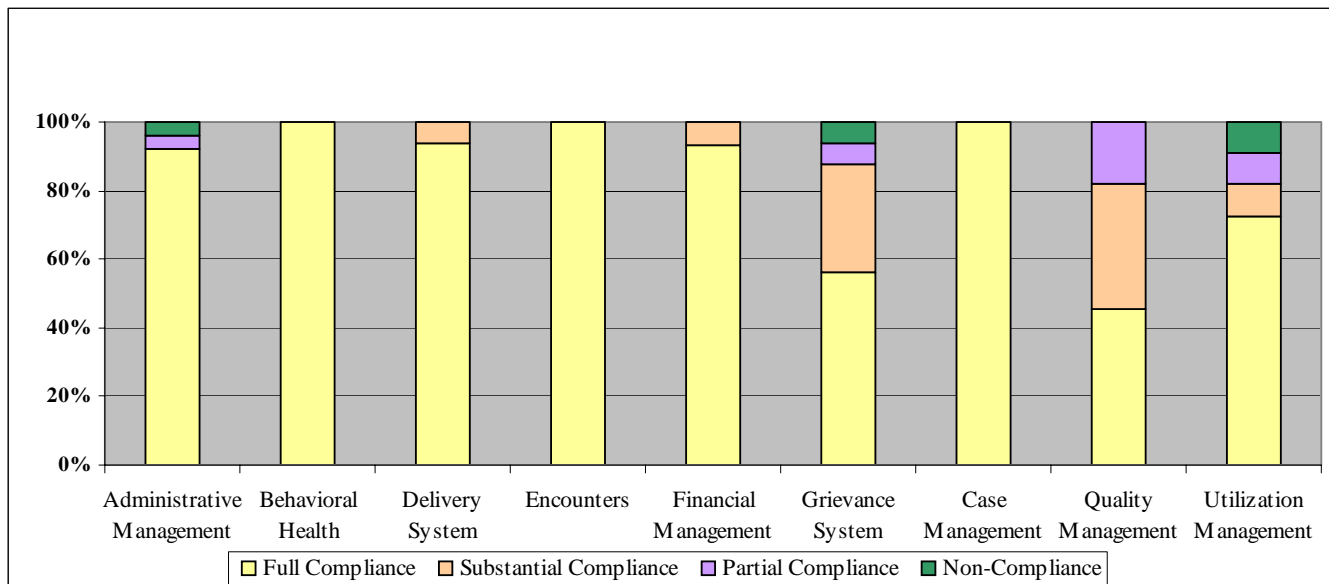


Figure 3-20 shows that behavioral health, encounters, and case management are in full compliance with all technical standards for their categories. Delivery system and financial management both show all of their technical standards in at least substantial compliance. Conversely, the figure suggests that the grievance system, quality management, and utilization management all represent opportunities for improvement. The category that shows the largest percentage of technical standards in non-compliance is utilization management at 9.1 percent, followed by grievance system at 6.3 percent, and administrative management at 3.8 percent. In total, 103 of the standards were in full compliance, 12 were in substantial compliance, five were in partial compliance, and three were in non-compliance.

CAPs for Compliance with Standards

Table 3-13 presents each of the categories of technical standards reviewed, the number of CAPs required, the percentage of all CAPs in each category, the total number of technical standards in each category, and the percentage of technical standards for each category with a CAP.

The program contractor did not receive a CAP for behavioral health, encounters, or case management, making those categories recognized strengths. Additionally, delivery system and financial management received only one CAP each, also making those categories recognized strengths.

The table also shows that, proportional to the number of CAPs, grievance system and quality management present the two largest opportunities for improvement, and that as a percentage of all of the standards, utilization management also presents a proportionately large improvement opportunity. Overall, 16 percent of the technical standards required a CAP.

Table 3-13—CAP Overview for Yavapai				
Categories of Technical Standards	Number of CAPs	Percent of Total CAPs	Total Number of Standards Across Program Contractors	CAPs as Percent of Standards
Administrative Management	2	10%	26	8%
Behavioral Health	0	0%	8	0%
Delivery System	1	5%	16	6%
Encounters	0	0%	15	0%
Financial Management	1	5%	15	7%
Grievance System	7	35%	16	44%
Case Management	0	0%	5	0%
Quality Management	6	30%	11	55%
Utilization Management	3	15%	11	27%
Total	20		123	16%
Note: Utilization Management includes a roll-up of two standards from Maternal Child Health.				

Performance Measure Review

Table 3-14 shows the performance measures for the two most recent time periods, along with the relative percentage of change, and the statistical significance level for each of the changes in rates over time. Additionally, the table presents the CY 2004 minimum AHCCCS performance standard, whether a CAP was required, the AHCCCS goal, and the AHCCCS long-range benchmarks.

The table lists an N/A for the diabetes management performance measures for the earlier time period because the previous remeasurements used a different methodology, rendering a comparison between time periods inappropriate. Comparisons between the current rates for diabetes management with the CY 2004 minimum AHCCCS performance standard, the AHCCCS goal, and the AHCCCS long-range benchmarks, however, are fully appropriate.

The table shows that the program contractor did not achieve a statistically significant increase for the rate on initiation of HCBS, although the rate increased by a relative 0.3 percent. Yet, the current rate for initiation of HCBS exceeds the CY 2004 minimum AHCCCS performance standard, the AHCCCS goal, and the AHCCCS long-range benchmark. For this reason, the contractor is to be commended on achieving and sustaining a relatively high rate for the HCBS measure.

Under diabetes management, both HbA1c testing and lipid screening showed rates that exceeded the CY 2004 minimum AHCCCS performance standard and the AHCCCS goals. The rate for retinal exams exceeded the CY 2004 minimum AHCCCS performance standard, the AHCCCS Goal, and the AHCCCS long-range benchmarks. This finding suggests that the performance measures are an area of strength for the program contractor. With continued effort, both the rate for HbA1c testing and for lipid screening should reach the AHCCCS long-range benchmarks.

Table 3-14—Performance Measurement Review for Yavapai

Performance Measure	Actual Performance for Oct. 1, 2002, to Sept. 30, 2003	Actual Performance for Oct. 1, 2003, to Sept. 30, 2004	Relative Percent Change	Significance Level*	CY 2004 Minimum AHCCCS Performance Standard	CAP Required	AHCCCS Goal	AHCCCS Long-Range Benchmarks
Initiation of HCBS	89.7%	90.0%	0.3%	p=1.00	74.0%	No	76%	87%
Diabetes Management – HbA1c Testing	N/A ¹	73.0%	N/A ²	N/A ²	51.0%	No	55%	85%
Diabetes Management – Lipid Screening	N/A ¹	68.5%	N/A ²	N/A ²	47.0%	No	51%	81%
Diabetes Management – Retinal Exams	N/A ¹	70.8%	N/A ²	N/A ²	31.0%	No	35%	64%

* Significance levels (p-value) noted in the table demonstrate the statistical significance between the performance for the previous measurement period and performance for the current measurement period.

¹ This is the first measurement period for diabetes management using a revised methodology. Previous measurements used a different methodology; therefore, N/A is noted for the previous measurement period.

² Since this is the first measurement period for diabetes management using the new methodology, changes in performance cannot be calculated.

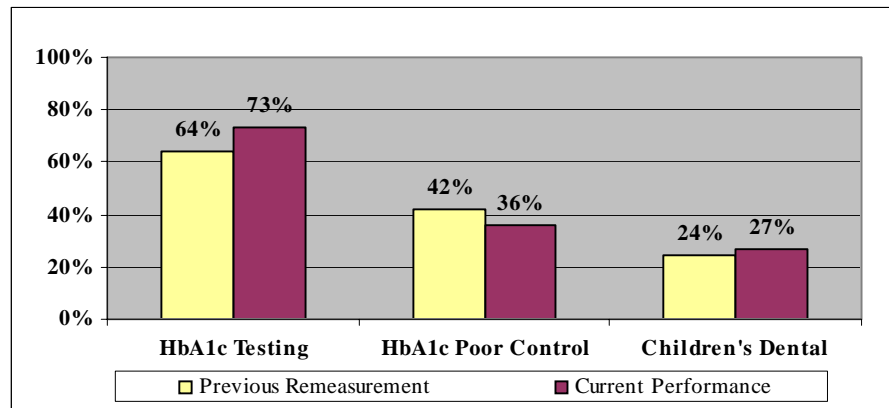
Performance Measures—CAPs

No CAPs were required for the program contractor.

Review of PIPs

Figure 3-21 presents the results of the program contractor's two PIPs, for adult diabetes management and for children's oral health. For children's oral health, the results for all of the program contractors were aggregated due to the small numbers of eligible members, and they were repeated in their aggregate form for each program contractor. The figure shows improvement for both diabetes management measures beyond the improvements achieved between the baseline and first remeasurement rates. The current HbA1c measure was at approximately the 50th percentile HEDIS[®] benchmark. The HbA1c poor control measure was near the top 25th percentile HEDIS[®] benchmark. The children's oral health measure was approximately half the AHCCCS benchmark of 57 percent.

Figure 3-21—PIP Results for Yavapai



Strengths, Opportunities for Improvement, and Recommendations for Yavapai

The next three sections discuss: (1) compliance with standards, (2) performance measures, and (3) PIPs. Each of these three sections presents the strengths for the area of review that were found in the documentation provided to HSAG, opportunities for improvement, and recommendations.

Compliance with Standards (Operational and Financial Review)

Strengths

Behavioral health, encounters, and case management showed all technical standards in full compliance, received no CAPs, and are regarded as strengths to the program contractor's operations.

Opportunities for Improvement and Recommendations

The combination of results from Figure 3-20 and Table 3-13 show that grievance system, quality management, and utilization management are categories with opportunities for improvement for the Compliance with Standards Review. Each category showed relatively high rates of CAPs. Specific recommendations to improve performance by Yavapai can be summarized by the following:

- ◆ Yavapai policies, procedures, and processes need to be enhanced to include specific AHCCCS requirements related to:
 - Grievances and appeals.
 - Credentialing.
 - Prior authorization.
- ◆ There were a number of standards related to provider network monitoring that were out of compliance. Specific areas requiring improvement include:
 - Monitoring delegated/subcontracted activities.

- Monitoring provider and program contractor compliance with AHCCCS performance measure standards.
- Ensuring providers maintain current licensing and certification documentation of nursing care staff.
- ◆ Other areas of focus were concentrated on monitoring and management of the program. Specific areas requiring improvement include:
 - Ensuring that members are educated on their rights and covered services.
 - Ensuring member materials contain a current provider directory.
 - Ensuring the promotion of continuity and coordination of care.

Performance Measure Review

Strengths

Overall, Performance Measure Review is an area of strength for the program contractor. No CAPs were required. The HCBS rate exceeded the CY 2004 minimum AHCCCS performance standard, the AHCCCS goal, and the AHCCCS long-range benchmark, regardless of its showing as relatively flat performance between the two most recent measurement cycles. For diabetes management, all three rates have exceeded the CY 2004 minimum AHCCCS performance standard and the AHCCCS goals, with retinal exams exceeding the AHCCCS long-range benchmarks. The program contractor's performance measures, therefore, are seen as an area of strength.

Opportunities for Improvement and Recommendations

The recommendation is that the program contractor focus on methods to increase the rates of HbA1c testing and lipids screening to try to reach the AHCCCS long-range benchmarks. Considering the limited resources available to most program contractors for quality improvement activities, however, this recommendation includes the caveat that efforts should not result in the sacrifice of other quality improvement activities that need more improvement.

Review of PIPs

Strengths

The diabetes management measures improved from the baseline measurement to the first remeasurement and sustained that performance through the second remeasurement cycle. The aggregate measure for the children's oral health measure also improved. The PIPs, therefore, are considered strengths for the program contractor.

Opportunities for Improvement and Recommendations

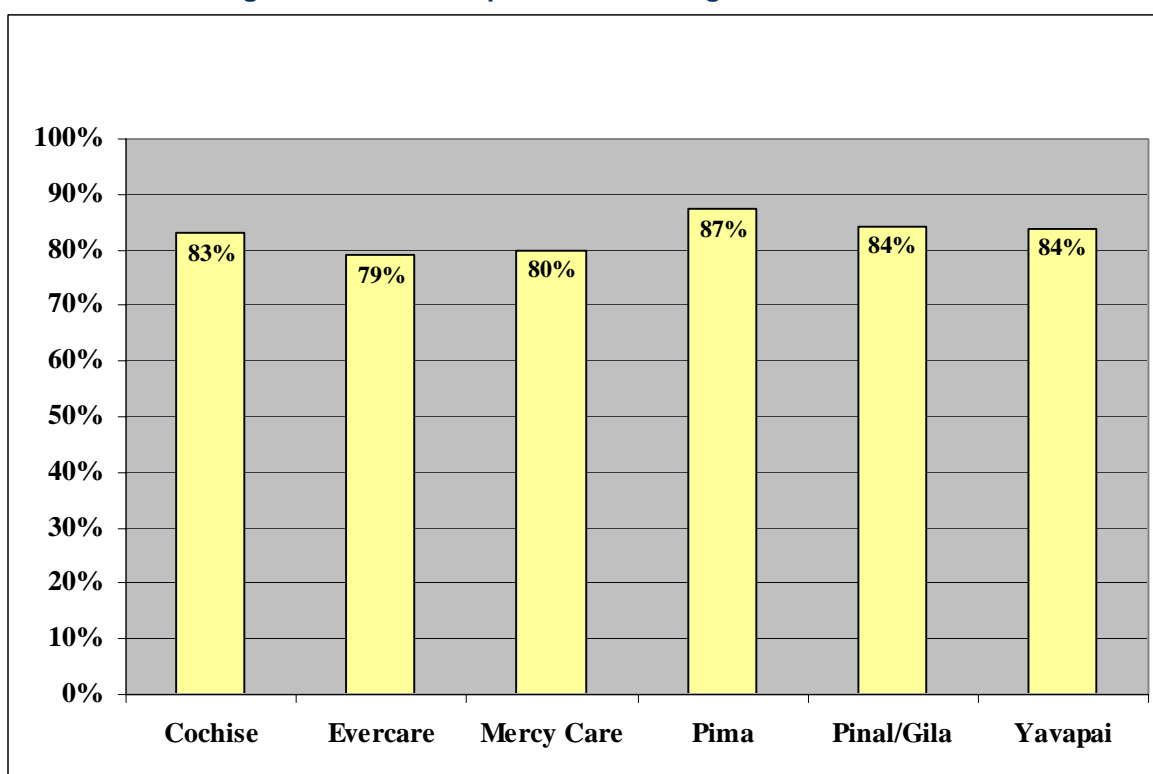
The notable opportunity for improvement was in children's dental visits, which would need to improve substantially to attain statistical significance as well as to achieve the AHCCCS benchmark rate of 57 percent, roughly twice the current rate for the measure. The recommendation is that the program contractor fortify its efforts toward improving the rates for children's dental visits.

4. Program Contractor Comparison and Overall Recommendations

Compliance with Standards (Operational and Financial Review)

Figure 4-1 shows the full compliance rates of all program contractors with the selected technical standards. Five of the six program contractors were at least 80 percent in full compliance with the standards reviewed. The sixth program contractor was at 79 percent in full compliance with the standards.

Figure 4-1—Full Compliance of All Program Contractors



The highest full compliance performance was from Pima at 87 percent. Three other program contractors were within four percentage points of Pima's rate: Cochise, Pinal/Gila, and Yavapai. The total range from the lowest to the highest percentages of full compliance was eight percentage points. Overall, this spread was fairly narrow, suggesting that efforts by program contractors to move the other technical standards into full compliance should be similar.

Figure 4-2 shows the extent to which each of the program contractors met the various levels of compliance.

Figure 4-2—Types of Compliance with Selected Standards for All Program Contractors

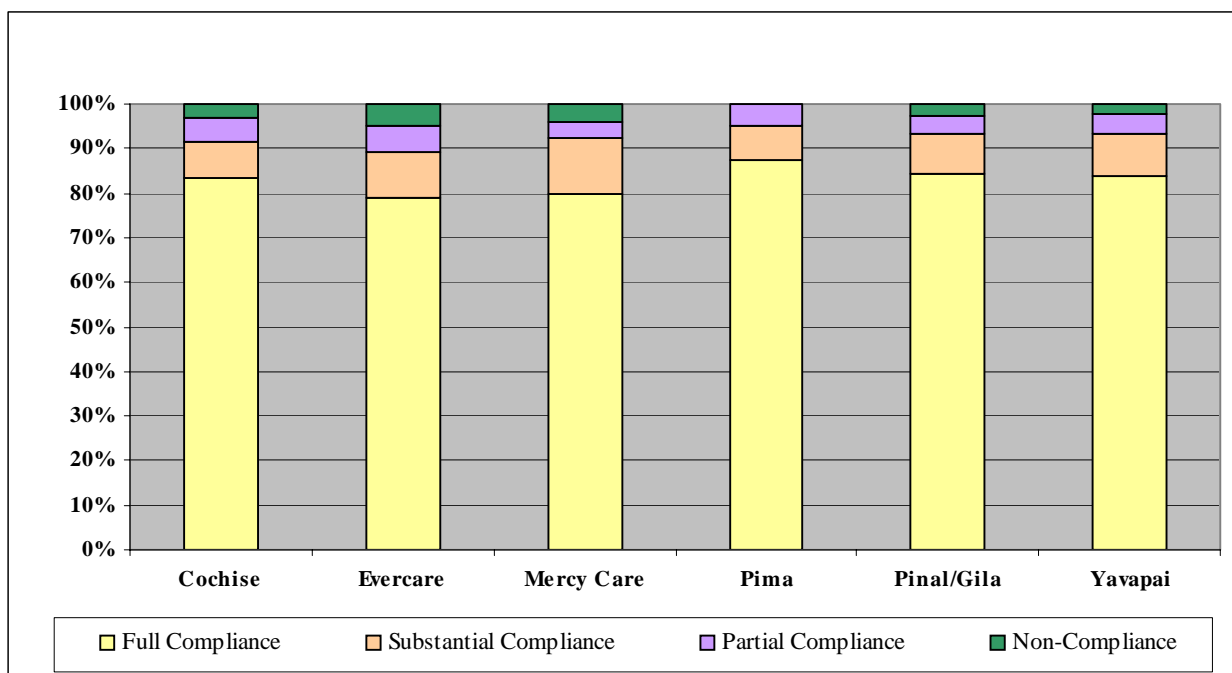


Figure 4-2 shows that five of the six program contractors (i.e., Cochise, Mercy Care, Pima, Pinal/Gila, and Yavapai) had more than 90 percent of technical standards in at least substantial compliance. Evercare was close with 89 percent of technical standards in at least substantial compliance. Pima had the highest rate of technical standards in at least substantial compliance at 95 percent.

For technical standards in non-compliance, Pima was lowest at exactly zero percent, followed by Yavapai at 2.4 percent and Pinal/Gila at 2.5 percent. Evercare showed the highest percentage of standards in non-compliance at 5.0 percent, followed by Mercy Care at 4.2 percent. These non-compliant standards represent compelling opportunities for improvement, although they are relatively low in number. The total number of technical standards in non-compliance ranged from zero for Pima to six for Evercare.

CAPs for Compliance with Standards

Table 4-1 presents the number of CAPs for each of the categories of technical standards and their totals for each of the program contractors. The table shows that Pima had fewer CAPs than any other plan at 15 CAPs. Pinal/Gila was next at 16 CAPs. Mercy Care had the most with 24 CAPs, followed by Evercare with 22 CAPs.

The table also shows the percentage of all CAPs, the expected percentage, and the percentage of the expected CAPs in the bottom three rows. The expected percentage reflects the number of applicable technical standards for each program contractor. The percentage of all CAPs shows the portion of all CAPs that each program contractor had. The last row forms an additional frame of reference that shows the relative degree to which the program contractors received an expected number of CAPs.

Program contractors with a percentage of expected CAPs that was lower than 100 percent did relatively well in the compliance with standards review. Where the percentage of expected CAPs exceeded 100 percent, the program contractor had additional opportunities for improvement of its compliance with standards.

Table 4-1—CAP Overview for All Program Contractors Individually						
Performance Measure Category	Cochise	Evercare	Mercy Care	Pima	Pinal/Gila	Yavapai
Administrative Management	4	3	3	4	4	2
Behavioral Health	1	4	3	2	0	0
Delivery System	0	0	0	0	2	1
Encounters	2	2	0	2	1	0
Financial Management	2	1	2	2	0	1
Grievance System	0	5	6	0	3	7
Case Management	1	1	1	0	0	0
Quality Management	3	5	5	0	4	6
Utilization Management	6	1	4	5	2	3
Total	19	22	24	15	16	20
Percent of All CAPs	16.4%	19.0%	20.7%	12.9%	13.8%	17.2%
Expected Percentage	14.3%	14.3%	14.4%	14.3%	14.4%	14.8%
Percent of Expected CAPs	114%	132%	143%	90%	96%	116%

The results of the proportional analysis in Table 4-1 further reinforce those seen earlier. Pima received only 90 percent of the CAPs that would have been expected if all of the program contractors had performed similarly on the review. Conversely, Mercy Care received 143 percent of the CAPs that would have been expected if CAPs were distributed proportionally across program contractors.

Performance Measure Review

Table 4-2 presents the performance measure rates for all program contractors for the current review cycle and the rates for the CY 2004 minimum AHCCCS performance standards, AHCCCS goals, and AHCCCS long-range benchmarks. The table also shows the average rate for each plan across the performance measures. The average rate across the performance measures is also presented, but it must be interpreted with some caution due to the differing mix of members in the averages.

The table shows that Cochise had the highest rate for initiation of HCBS and HbA1c testing. Pinal/Gila had the highest rates for lipid screening and retinal exams. Pinal/Gila also had the highest average rate across the performance measures due in large part to the very high rate of retinal exams. Having the highest average is an indicator of overall quality, but it should carry less weight than the individual performance measure rates.

The table also shows that Evercare had the lowest rates for initiation of HCBS, HbA1c testing, and lipid screening. Pima had the lowest rate for retinal exams. The lowest average rate was from Evercare. Having the lowest average rate is an indicator of overall opportunities for improvement, but it should carry less weight than the individual performance measure rates.

Table 4-2—Most Recent Performance Measures for All Program Contractors Individually

Performance Indicator	Cochise	Evercare	Mercy Care	Pima	Pinal/ Gila	Yavapai	CY 2004 Minimum AHCCCS Performance Standard	AHCCCS Goal	AHCCCS Long-Range Benchmark
Initiation of HCBS*	98.2%	85.4%	85.5%	96.7%	89.1%	90.0%	74%	76%	87%
Diabetes Management – HbA1c Testing	88.4%	60.9%	76.9%	75.5%	87.3%	73.0%	51%	55%	85%
Diabetes Management – Lipid Screening	69.8%	63.6%	70.3%	74.1%	81.4%	68.5%	47%	51%	81%
Diabetes Management – Retinal Exam	48.8%	50.5%	53.3%	31.1%	73.5%	70.8%	31%	35%	64%
Average Rate	76.3%	65.1%	71.5%	69.4%	82.8%	75.6%	50.8%	54.3%	79.3%

* HCBS is home and community-based services.

For the initiation of HCBS, Table 4-3 lists each program contractor's rates for the two most recent measurement cycles, relative changes in rates, statistical significance levels, CY 2004 minimum AHCCCS performance standard, the AHCCCS goal, and the AHCCCS long-range benchmark. The table also lists the weighted average for each of the program contractors. The weighted average is the sum of each of the program contractor's numerators divided by the sum of each of the program contractor's denominators. This type of average is adjusted by the different sizes of denominators for each of the program contractors. More weight is given to the larger program contractors and less to the smaller ones.

The table shows that the only statistically significant change in rates was an increase for Evercare from 68.7 percent to 85.4 percent, a 24.3 percent relative change. The table also shows that the weighted average across all program contractors increased by a relative 6.6 percent, which was also statistically significant. All of the program contractors exceeded both the CY 2004 minimum AHCCCS performance standard and the AHCCCS goal for this performance measure during the most recent measurement cycle. Five of the six program contractors had exceeded these two standards in the previous measurement cycle. Four of the six program contractors exceeded the AHCCCS long-range benchmark during the current measurement cycle and three program contractors did so in the previous measurement cycle.

Table 4-3—Performance Measures – Initiation of HCBS for All Program Contractors

Program Contractor	Oct. 1, 2002, – Sept. 30, 2003	Oct. 1, 2003, – Sept. 30, 2004	Relative Change	Significance Level	CY 2004 Minimum AHCCCS Performance Standard	AHCCCS Goal	AHCCCS Long-Range Benchmark
Cochise	97.7%	98.2%	0.5%	p=1.00	74%	76%	87%
Evercare	68.7%	85.4%	24.3%	p=.015	74%	76%	87%
Mercy Care	81.1%	85.5%	5.4%	p=.330	74%	76%	87%
Pima	97.8%	96.7%	-1.1%	p=.701	74%	76%	87%
Pinal/Gila	86.0%	89.1%	3.6%	p=.621	74%	76%	87%
Yavapai	89.7%	90.0%	0.3%	p=1.00	74%	76%	87%
Weighted Average	83.7%	89.2%	6.6%	p=.008	74%	76%	87%

Table 4-4 shows the performance measure results for HbA1c testing along with the CY 2004 minimum AHCCCS performance standard, AHCCCS goal, and AHCCCS long-range benchmark for the measure. Due to a change in methodologies detailed in the methodology chapter, previous rates are marked N/A. Another result of this change in methodology is that relative changes and significance levels cannot be calculated.

The table shows Cochise achieved the highest rate. Evercare had the lowest rate. Rates for all program contractors exceeded the CY 2004 minimum AHCCCS performance standard and the AHCCCS goal. The AHCCCS long-range benchmark was exceeded only by Cochise and Pinal/Gila.

Table 4-4—Performance Measures – HbA1c Testing* for All Program Contractors

Program Contractor	Oct. 1, 2002, – Sept. 30, 2003	Oct. 1, 2003, – Sept. 30, 2004	CY 2004 Minimum AHCCCS Performance Standard	AHCCCS Goal	AHCCCS Long-Range Benchmark
Cochise	N/A	88.4%	51%	55%	85%
Evercare	N/A	60.9%	51%	55%	85%
Mercy Care	N/A	76.9%	51%	55%	85%
Pima	N/A	75.5%	51%	55%	85%
Pinal/Gila	N/A	87.3%	51%	55%	85%
Yavapai	N/A	73.0%	51%	55%	85%
Weighted Average	N/A	76.7%	51%	55%	85%
* This is the first measurement period for diabetes management using a revised methodology; therefore, N/A is noted for the previous measurement period.					

Table 4-5 shows the performance measure results for lipid screening along with the CY 2004 minimum AHCCCS performance standard, AHCCCS goal, and AHCCCS long-range benchmark for the measure. Due to a change in methodologies detailed in the methodology chapter, previous rates are marked N/A. Another result of this change in methodology is that relative changes and significance levels cannot be calculated.

The table shows that Pinal/Gila achieved the highest rate. Evercare had the lowest rate. The rates for all program contractors exceeded the CY 2004 minimum AHCCCS performance standard and the AHCCCS goal. The AHCCCS long-range benchmark was exceeded only by Pinal/Gila.

Table 4-5—Performance Measures – Lipid Screening* for All Program Contractors					
Program Contractor	Oct. 1, 2002, – Sept. 30, 2003	Oct. 1, 2003, – Sept. 30, 2004	CY 2004 Minimum AHCCCS Performance Standard	AHCCCS Goal	AHCCCS Long-Range Benchmark
Cochise	N/A	69.8%	47%	51%	81%
Evercare	N/A	63.6%	47%	51%	81%
Mercy Care	N/A	70.3%	47%	51%	81%
Pima	N/A	74.1%	47%	51%	81%
Pinal/Gila	N/A	81.4%	47%	51%	81%
Yavapai	N/A	68.5%	47%	51%	81%
Weighted Average	N/A	69.2%	47%	51%	81%
* This is the first measurement period for diabetes management using a revised methodology; therefore, N/A is noted for the previous measurement period.					

Table 4-6 shows performance measure results for retinal exams along with the CY 2004 minimum AHCCCS performance standard, AHCCCS goal, and AHCCCS long-range benchmark for the measure. Due to a change in methodologies detailed in the methodology chapter, previous rates are marked N/A. Another result of this change in methodology is that relative changes and significance levels cannot be calculated.

The table shows that Pinal/Gila achieved the highest rate. Pima had the lowest rate by a fairly wide margin. The rates for all program contractors exceeded the CY 2004 minimum AHCCCS performance standard. Five of the six program contractors exceeded the AHCCCS goal. The AHCCCS long-range benchmark was exceeded by Pinal/Gila and Yavapai.

Table 4-6—Performance Measures – Retinal Exams* for All Program Contractors					
Program Contractor	Oct. 1, 2002, – Sept. 30, 2003	Oct. 1, 2003, – Sept. 30, 2004	CY 2004 Minimum AHCCCS Performance Standard	AHCCCS Goal	AHCCCS Long-Range Benchmark
Cochise	N/A	48.8%	31%	35%	64%
Evercare	N/A	50.5%	31%	35%	64%
Mercy Care	N/A	53.3%	31%	35%	64%
Pima	N/A	31.1%	31%	35%	64%
Pinal/Gila	N/A	73.5%	31%	35%	64%
Yavapai	N/A	70.8%	31%	35%	64%
Weighted Average	N/A	50.1%	31%	35%	64%
* This is the first measurement period for diabetes management using a revised methodology; therefore, N/A is noted for the previous measurement period.					

Performance Measures – CAP

None of the program contractors received a CAP for any of the four performance measures. For this reason, and in conjunction with the number of program contractors exceeding the individual AHCCCS goals and AHCCCS long-range benchmarks, the performance measure review is regarded as a strength across all of the program contractors.

Review of PIPs

Table 4-7 presents the most recent rates for the PIPs across the six program contractors. The table also presents frames of reference used to assess the magnitude of the rates from a national perspective for the two diabetes management rates and from the perspective of the CY 2004 AHCCCS benchmark rate for children's annual dental visits. Overall, the diabetes management measures demonstrated improvement from the baseline measurement to the first remeasurement and sustained that performance through the second remeasurement cycle.

For the HbA1c testing measure, the table shows that Cochise and Pinal/Gila compared favorably with the HEDIS[®] 90th percentile benchmark. Only Evercare was substantively below the HEDIS[®] 50th percentile benchmark and only somewhat above the HEDIS[®] 10th percentile benchmark.

For the HbA1c poor control measure, the table shows that all program contractors substantively exceeded the HEDIS[®] 50th percentile benchmark. Only Evercare and Yavapai fell below the HEDIS[®] 90th percentile benchmark (which means the program contractors' rates were higher than the benchmark because this is a reversed measure).

For the children's annual dental visits measure, the program contractors' rates were aggregated because most ALTCS program contractors did not have enough members who met the criteria for inclusion in the remeasurement to make statistical comparisons. The table shows that the aggregate program contractors rate was approximately half of the CY 2004 AHCCCS benchmark rate.

Table 4-7—Most Recent PIP Rates for All Program Contractors Individually

Performance Indicator	Cochise	Evercare	Mercy Care	Pima	Pinal/Gila	Yavapai	HEDIS® 2004 10th Percentile Benchmark	HEDIS® 2004 50th Percentile Benchmark	HEDIS® 2004 90th Percentile Benchmark
Diabetes Management – HbA1c Testing	88.4%	60.9%	76.9%	75.5%	87.3%	73.0%	57.4%	77.6%	87.6%
Diabetes Management – HbA1c Poor Control	17.4%	37.0%	29.3%	29.7%	22.5%	36.0%	77.3%*	47.4%	31.1%*
Children’s Annual Dental Visits	26.9%						57%**		

* HEDIS® 10th percentile and 90th percentile benchmarks were reversed from their usual order for this indicator because it was a reversed indicator. The interpretation of these benchmarks is that the 90th percentile is better than the 10th percentile.

**This percentage reflects the CY 2004 AHCCCS benchmark rate, which is listed because it was presented in the AHCCCS PIP reports.

Table 4-8 presents the rates for HbA1c testing for the two most recent measurement cycles, the relative changes in the rates between measurement cycles, and the statistical significance levels for the relative changes. The table shows that three of the program contractors increased their rates by a statistically significant amount: Evercare, Mercy Care, and Pinal/Gila. No rates for the program contractors decreased by a statistically significant amount.

From a relative change perspective, Evercare increased its rates the most at 21.1 percent. In contrast, Pima’s rate decreased by a relative 2.1 percent, albeit nonsignificantly. Overall, the six program contractors increased the rate of HbA1c testing by a relative 8.9 percent, which was statistically significant.

Table 4-8—PIP Rates for All Program Contractors – HbA1c Testing

Program Contractor	Oct. 1, 2002, – Sept. 30, 2003	Oct. 1, 2003, – Sept. 30, 2004	Relative Change	Significance Level
Cochise	80.7%	88.4%	9.5%	p=.168
Evercare	50.3%	60.9%	21.1%	p=.046
Mercy Care	67.6%	76.9%	13.8%	p=.035
Pima	77.1%	75.5%	-2.1%	p=.695
Pinal/Gila	73.0%	87.3%	19.6%	p=.017
Yavapai	64.1%	73.0%	13.9%	p=.214
Weighted Average	70.4%	76.7%	8.9	p<.001

Table 4-9 presents the rates for HbA1c poor control for the two most recent measurement cycles, the relative change in the rates between measurement cycles, and the statistical significance levels for the relative changes. The table shows Evercare and Mercy Care improved (i.e., decreased for this reversed measure) their rates by a statistically significant amount. All of the program contractors showed at least some improvement in rates.

From a relative change perspective, Evercare improved its rates the most at 32.1 percent, followed closely by Pinal/Gila at 30.6 percent. In contrast, Pima's rate improved by a relative 2.0 percent, albeit nonsignificantly. Overall, the six program contractors improved the rate of HbA1c poor control by a substantively large, relative 21.9 percent, which was statistically significant and an accomplishment that is noted herein.

Table 4-9—PIP Rates for All Program Contractors – HbA1c Poor Control*				
Program Contractor	Oct. 1, 2002, – Sept. 30, 2003	Oct. 1, 2003, – Sept. 30, 2004	Relative Change	Significance Level
Cochise	24.1%	17.4%	-27.8%	p=.286
Evercare	54.5%	37.0%	-32.1%	p=.001
Mercy Care	40.0%	29.3%	-26.8%	p=.022
Pima	30.3%	29.7%	-2.0%	p=.889
Pinal/Gila	32.4%	22.5%	-30.6%	p=.143
Yavapai	42.3%	36.0%	-14.9%	p=.401
Weighted Average	37.0%	28.9%	-21.9	p<.001
*HbA1c poor control is a reversed measure for which lower rates are better than higher ones.				

The aggregate rate for children's annual dental visits improved from 24.3 percent to 26.9 percent. The relative improvement was 10.7 percent, which was not statistically significant ($p = .696$). Given the CY 2004 AHCCCS benchmark rate of 57 percent, an ample opportunity for improvement existed for this measure. As a frame of reference, the HEDIS[®] 2004 25th percentile benchmark for this measure was 35.4 percent, which was substantively higher than the current rate.

Overall Strengths and Opportunities for Improvement

For the compliance with standards review, the strengths and opportunities for improvement are primarily tied to the required CAPs. The program contractor that required the fewest number of CAPs, Pima, still required 15. Mercy Care, especially, should focus on resolving its 24 CAPs. Every CAP for every program contractor represented an individually identified opportunity for improvement.

Apart from the program contractors needing to improve the number of CAPs that each received, some of the categories of technical standards showed relatively few CAPs and were, therefore, considered strengths for the compliance with standards review. The categories that had the highest percentages of full compliance across the six program contractors were delivery system at 96.8 percent, case management at 93.3 percent, and encounters at 91.1 percent. Conversely, the

categories showing the greatest opportunities for improvement across all six program contractors were quality management at 65.2 percent full compliance and utilization management at 63.6 percent.

For the performance measure review, all six program contractors exceeded the CY 2004 minimum AHCCCS performance standards. The result was that none of the program contractors had a required CAP. Most of the rates were above or approaching the AHCCCS goals. Some of the rates have exceeded the AHCCCS long-range benchmarks. Overall, the performance measure review was an area of strength across the six program contractors.

Two of the performance measure rates, however, stood out as opportunities for improvement when compared with the rates achieved by the other program contractors. Evercare's rate for HbA1c testing was substantively below the other program contractors' rates. Pima's rate for retinal exams was substantially below other program contractors' rates.

For the PIPs review, all of the program contractors except Evercare were informed that they could close their diabetes management PIPs. Evercare's diabetes management PIP was, therefore, seen as an opportunity for improvement. The other five program contractors' diabetes management PIPs were seen as strengths to their quality improvement programs. Overall, the program contractors had an opportunity to greatly improve the aggregate rate of children's annual dental visits. The rate was low from both local and national perspectives.

Overall Recommendations

Overall recommendations are tied to the general strengths and opportunities for improvement. Specific recommendations for each program contractor were delineated in the previous chapter of this report. For the compliance with standards review, it is recommended that all program contractors either formulate or reconstitute a quality improvement team that is tasked with clearing current CAPs and implementing the systems and documentation necessary to avoid future CAPs. The goal and expectation of program contractors should be to have no required CAPs, especially with the technical standards being well-delineated by the State.

For the performance measure review, it is recommended that program contractors continue monitoring the performance measure rates to make sure that rates are at least slowly improving or, for rates already over 95 percent, not declining. Efforts should be strategically developed so as not to take quality improvement resources away from measures that need more improvement.

For the PIPs review, it is recommended that program contractors rethink and reconstitute quality improvement efforts for children's annual dental visits. The aggregated rate is approximately half of the CY 2004 AHCCCS benchmark rate. Only about 100 children are currently in the denominator for the rate. This relatively small number of members means that more innovative approaches to improving the rate may be needed than for adult measures with far greater numbers of members. It is recommended that program contractors create and operationalize more creative solutions to improving the rate than have been used to date.